



FARM BUSINESS PLANNING

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Now—as always—the better farmer has the advantage. During the war and post-war years, the better farmer was the man who could produce a large volume, regardless of cost. Today, he is the man who can retain a good size business and still keep down the cost of production per unit.

Now, higher yields, better selection of crops, more efficient animal production, greater economy in purchase and operation of machinery, and more production per man hour are all the more essential to farming success.

In the years ahead, farm income may be protected by some kind of farm support. Regardless of the extent to which farmers' incomes are protected, the better farmer will have the advantage still.

This pamphlet presents the production situation as it stands in Minnesota and reports trends which seem probable.

LOOKING AHEAD



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Falling Income in 1950

1950 will be a year of lower prices and smaller cash receipts for farmers. Both are likely to fall about 10 per cent during the year just as they did in 1949. **Costs** probably will go down but not as much as prices. The result— **net income** will drop. Here's what appears to be ahead—

● **Less crop, more livestock production.** Acreage restrictions on some crops, possibility of lower yields than 1949's bumper production, and some increase in livestock production makes some net decrease in total farm output likely.

● **Slackening business activity** this year has weakened demand for farm products. More slackening is expected through 1950. However, industrial activity is still very high compared to prewar.

● **Changing consumer spending habits** with a smaller part of income going for food and more for other things.

● **Continued high employment** in spite of strikes. High employment at good wages provides high purchasing power. Veterans' insurance refunds during the winter or spring will make about three billion additional dollars available for spending. Government expenditures, at least during the first half of 1950, will continue to be large.

Farm Production and Feed Supplies

ACCORDING to the best information available, trends in 1950 farm production include:

Large pig crops—The large 1949 pig crop and the expected even larger one in 1950 probably will mean 8 to 10 per cent more pork in 1950 than in 1949.

Slowly increasing cattle numbers—Beef and veal output will probably be about the same as in 1949. However, an unusually large share of it again will come from grain-fed cattle. Cattle prices are likely to continue near 1949 levels.

Low dairy cow numbers—In proportion to population, dairy cow numbers are the lowest on record. Even so, total production is above prewar because of higher production per cow. More of the nonfat ingredients of milk are being used for human consumption. More of the butterfat is being consumed as fluid milk and cream, ice cream, cheese, condensed and evaporated milk and less as butter.

Large laying flocks—The number of laying hens is large at the beginning of 1950. This indicates higher egg production, at least during the first half of the year. Chicken supplies per person are only moderately lower than 1949.

Less wheat acreage—Wheat acreage in 1950 will be reduced by acreage allotments, but if weather is normal, total U. S. production is expected to exceed a billion bushels again. About 73 million acres will be allotted for 1950 compared with 83.2 million seeded for 1949. The support level for wheat may range between \$1.65 and \$1.77 per bushel.

LIBERAL FEED SUPPLIES

In November our 1949 corn crop was estimated at 3,357 million bushels and the October 1 carry-over of old corn at 800 million—a total of 4,157 million bushels. That's about a billion bushels more than in most recent years. (The five-year prewar average (1937-41) was 3,046 million and the 1948 figure, 3,776.)

Of our total supply of corn, probably about a billion bushels will be under seal or purchase agreement and will be held at support prices. This includes most of the 556 million bushels of the 1948 crop which were covered either by loan or purchase agreement, plus about the same amount which will probably go under price support again this year.

That leaves about 3 billion bushels available for feed or sale at market prices. This is about the same as the total supply of many of the past few years, and would indicate that in addition to the corn under the price support program, we will have about an average supply of corn for feed and market. In addition to the corn, we had average oats, barley, and grain sorghum crops. However, since these three grains make up only about a quarter of the total feed grain production, their influence is minor.

The number of grain-consuming animal units to feed during the year, of course, has a bearing on the demand for the available feed supplies. This year (October, 1949—September, 1950) there will be 167 million such units as compared to 161 in 1948-49 and from 173 to 192 during the war years. This indicates that there could be about enough feed not under price support to supply the feed needs if it were evenly distributed.

Dairy

THIS YEAR, as always, the key to success in dairying is steady, good management. Cows must be fed enough of a balanced ration to produce profitably.

Roughage is the Foundation Feed

For lower costs, use good legume hay and plenty of it; plan a good all-season pasture; feed hay or silage during poor pasture periods. Build the winter feeding program around good clover or alfalfa hay and farm grains. Use corn silage to supplement the hay in the corn-growing sections of the state. There is a growing interest in grass silage as a means of preserving more of the nutrients in hay crops.

The roughage on hand will determine the ration this year. With excellent alfalfa or clover hay, farm grains will balance the ration. If no legume hay is available, the grain ration will need about one-fourth linseed oil meal, soybean meal, or other high concentrate to provide the protein needs of the cow. Free access to iodized salt and bone meal will provide for the mineral needs of the cow with few exceptions. Plenty of water will increase production. A cow needs 100 to 200 pounds a day.

High Quality Milk Imperative

Competition is stiff. The market demands good milk or cream and pays accordingly. Your milk house and barn arrangements must meet definite standards. When remodeling, be sure changes comply with modern standards.

The routine of milking and management affects milk quality as well as labor costs. Study your chore habits.

Better Cows Needed

Dairy Herd Improvement Association records are the best way to be sure.

Records tell which cows, if any, to discard; how much to feed each cow; and which heifers to keep. There are 110 testing associations with over 2,400 members in this state. They are, as a group, the top dairymen of the state as evidenced by their average production of 327 pounds of butterfat per cow against an average for all cows of 200 pounds.

Farmers who do not belong could well afford to be guided by the management and feeding practices of their neighbors who are members of a testing association.

Breeding for Production

Good sires are necessary to develop high-producing, profitable herds. Over 200,000 cows, about 13 per cent of the cows in Minnesota, were bred by artificial breeding associations this past year. This service is now available to most farmers. Breeding associations, through the use of sires that have proved their transmitting ability in D.H.I.A. herds, make available better breeding than has been available to most farmers in the past.

Consider Housing Carefully

In planning future dairy housing and equipment, watch the investment. Profits may be smaller in the future. Plans should consider the cow's comfort, low cost, minimum labor, and clean milk.

Maintain Herd Health

Only healthy herds can be profitable. Good management and disease prevention are all important. Calves and young stock must be well-grown and disease-free to become good cows. Calves require clean, dry quarters and plenty of the best hay available. Milk should be fed regularly from clean utensils. The grain ration should be fitted to milk supply and kind of roughage used.

Poultry

CHICKENS

PRICES OF eggs and poultry cannot be predicted. Support prices may be established at anywhere from 0 to 90 per cent of parity at the discretion of the Secretary of Agriculture. However, the poultry enterprise will be most profitable if the house and other facilities are used to capacity—but not more than capacity—every year.

Keep Them Producing

Plan a regular program of production and stick to it.

Have your house in full production every year, regardless of variations in egg prices.

Buy early chicks, rear them on clean ground, house the pullets by September 1, and be ready with full-size eggs by October.

Use Modern Labor Saving Devices

Dropping pits—Clean out every few months or once a year.

Built-up litter—Leave it in all winter. It's practical only in houses that are well-insulated and well-ventilated.

Community nests—provide cleaner eggs, easier gathering.

Automatic watering—for both hen house and chick production. Pipe in running water, provide drain for overflow.

Follow Good Management Practices

Expansion of the chicken business, because of these labor-saving devices, is practical only where these practices are **in addition to** the standard necessities of good management:

Correct housing, provided with adequate insulation and proper ventilation.

Good quality birds, secured from good breeding flocks and properly culled as the season advances.

Good feeding and management.

Proper handling of eggs by gathering frequently, cooling quickly, and selling promptly.

TURKEYS

The Situation

Minnesota turkey growers produced about four million turkeys in 1949. Most growers made a little money and will tend to raise the same number in 1950 or perhaps increase some.

More hens will be kept over as breeders this winter. Why? Because egg producers made money on eggs last year.

Egg and poult prices in 1950 will probably be down somewhat.

What To Do

The most important thing about turkey raising is management. That alone put Minnesota in the second to the top place in the nation this year. Feed is important, but management and careful rotation still rate first.

During the recent profitable years many growers have paid little attention to the value of pasture. Good pasture or roughage will cut grain and mash consumption as much as 25 per cent. This might be the difference between being in the red or in the black in the fall of 1950.

Many growers tend to lay great stress on medication to prevent disease losses. Medication is generally little more than a salvage operation. It may serve to reduce losses but little else. No one ever made much money on a salvage livestock operation.

The prime essentials of good turkey management still and always will be . . . disease-free poults, careful management, good feeding practices, rotation of growing fields frequently during the season, and proper use of pasture.

Hogs

THE 1949 hog crop was the third largest in history (96 million against 85 million in 1948 and 85 million average for the 5-year period, 1944-48).

There has been a substantial increase in production over the prewar years (1937-41) when the average was 77 million. During the last 10 years our population has grown by about 20 million people, and the per capita consumption of pork has increased from 56 pounds per person (1935-39) to 70.6 pounds during the last 10 years (1939-48). In 1949 there was enough pork for 71 pounds per person in the United States. The increase in per capita consumption along with the population increase resulted in high consumption.

The 1949 corn crop of 3½ billion bushels was the second largest on record. The October 1 carryover (800 million) was far greater than ever before.

The 1950 hog production can be expected to be large. On the other hand, the corn-hog ratio should continue favorable. As long as 100 pounds of hogs will buy 12½ or more bushels of corn, there should be a profit in hogs.

Early Pigs Have an Advantage

. . . If warm farrowing quarters are available and if those early pigs make 200 pounds in six months.

Plenty of clean pasture is important. Early pigs are old enough by May to use pasture effectively.

Sows that farrow early can be bred back for fall pigs.

August and September are the lightest hog marketing months. Hogs ready in those months have an advantage in the market.

Hold Down That Lard

Lard prices are low and excess lard pulls down the price of a hog. Watch the market closely, and sell at 200-240

pounds. In selecting gilts and boars, choose the right types. Present indications are that low lard prices will continue.

Don't Be the Loser

Of 151 southeast Minnesota hog producers who kept records in 1948, the top fifth averaged \$10.72 returns over feed for every 100 pounds produced. The bottom fifth lost 83 cents per 100 pounds. The margin in 1950 will not be good enough to protect the poor producers. Successful raisers will have to keep pigs free from worms and disease, feed enough protein, use legume pasture, feed for rapid gains, and sell at medium weights.

Support Price Picture Uncertain

Weekly guides for government hog support levels for the average of barrows and gilts at seven markets combined (Chicago, St. Louis, South St. Paul, Sioux City, Omaha, Kansas City, and South St. Joseph) are:

Week ending	Dollars per 100 pounds
December 3, 1949	\$14.75
December 10, 1949	14.75
December 17, 1949	14.75
December 24, 1949	14.75
December 31, 1949	14.75
January 7, 1950	\$15.00
January 14, 1950	15.25
January 21, 1950	15.50
January 28, 1950	15.50
February 4, 1950	\$15.65
February 11, 1950	15.90
February 18, 1950	16.15
February 25, 1950	16.40
March 4, 1950	\$16.65
March 11, 1950	16.65
March 18, 1950	16.65
March 25, 1950	16.65
March 31, 1950	16.65

The Agricultural Act of 1949 states that the Secretary of Agriculture may, at the Department's discretion, support hog prices after April 1 at from 0-90 per cent of parity. Watch your farm magazines, newspapers, and radio stations for later announcements.

Beef Cattle

WHEN CATTLE feeding profits are doubtful, calves have the best chance, yearlings next best, and two-year-olds the least chance to show a profit.

Average of 17 experiments (reported by Iowa, Minnesota, Nebraska, Ohio, and Washington Experiment Stations shows that calves consumed 462 pounds of grain per 100 pounds gain; yearlings, 578; two-year-olds, 655. Older animals also consumed more hay and silage but slightly less protein concentrates.

Market in Fall

The chance for a profit from choice and prime steers is better if they go to market in the fall rather than in the spring.

Comparison of prices from 1922 through 1941 showed that the prices of choice and prime steers were only 20 to 21 per cent higher than medium slaughter steers in May and June, but 40 per cent higher in November and December.

In the fall there are plenty of grass-fat cattle and relatively few good quality, grain-fed cattle. In the spring there are usually more well-finished cattle ready for market.

Use More Hay, Pasture

Farmers with ample roughage may decide to carry feeder cattle through the winter on legume hay and silage only and then put them on pasture in the spring, either with half-feed or full-feed of corn. Such cattle should be finished in dry lot.

Expand Your Breeding Herd

If you are equipped to handle a beef breeding herd and are low in numbers, it may be a good time to build up. Good western heifers, with a well-bred bull, will build a good herd fast.

More hay and pasture may be in the picture as a result of acreage allotments one of these days. Cattle offer a good way of using these roughages.

Sheep

SHEEP NUMBERS in U. S. are extremely low—31 million as compared to 56 million in 1942. (1941-42 the peak year in sheep production in the U. S.)

Only about two-thirds as many sheep and lambs were slaughtered in 1949 as the 1935-41 average.

A farm flock of 100 to 125 ewes makes a unit big enough to yield a substantial income. Farms equipped to handle farm flocks may find this a good time to get into the business.

Labor needed is low. Good fences, cheap winter shelter, lambing facilities,

hay, and pasture are chief requirements. Sheep come nearer than any other class of livestock to living on hay and pasture alone.

Slaughter supplies will be low in 1950—a small lamb crop to begin with and more than usual held back to rebuild flock numbers.

U. S. wool production in 1949 was the smallest since 1879. U. S. stocks of apparel wool are low, so increased imports are expected.

Support price for wool is assured through the new farm bill. Support rates will be announced later.



Crops

CORN ACREAGE in 1950 may be affected by allotment. It is not likely that the decreased corn acreage due to allotments will be reflected in a proportional decrease in production. Nor is it likely that fear of lower support prices for corn will greatly affect the acreage planted.

It appears that the grower who plans his operations so as to take advantage of the loan programs for surplus feeds may realize more than cash market prices for his crops.

Yields Increasingly Important

As returns from crops drop faster than production costs, yields become increasingly important. Selection of varieties, good seedbed preparation, early planting, careful choice of crops to best fit growing conditions, and proper harvesting and storing practices—with particular reference to barley—will become greater forces affecting net incomes.

Greater attention should be given to the selection of a proper crop rotation system for every farm, both from the standpoint of controlling weeds and for increasing future crop yields.

More Legumes, Grasses Needed

A decrease in grain crops must be accompanied by a larger acreage of

grasses and legumes for maximum current farm income. Most livestock farms can use more pasture to advantage.

Not all farms have the facilities to handle the necessary livestock needed to consume any marked increase in acreage of grasses and legumes. Operators of such farms may well consider the production of grass and legume seeds. In fact, the growing of a sufficient amount of these seeds on every farm to meet the seeding needs of the farm would be wise.

There is a scarcity of grass seed and of clover and alfalfa seeds. Prices of these seeds are relatively higher than prices of other crops. The outlook for a growing market demand is good. The use of commercial fertilizers and sprays for control of injurious insects and weeds is helping to make the profitable production of these seed crops more certain.

Because many weed seeds are difficult, if not impossible, to separate from grass, alfalfa, and clover seeds, fields for growing seeds of these crops should be carefully selected.

Hay crop silage production is rapidly increasing in use in Minnesota both for dairy and beef herds. It may be used to profitably replace all or part of the corn silage usually fed.

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