It has been mentioned that, since Census data do not cover all cash expense items, the value of sales less specified expenses per farm probably overstates net cash farm income. It also probably overstates, even more, net incomes on tenant-operated farms since they receive only a share of crops. There is one important item of noncash cost for which it is possible to make an estimate using Census data as a basis. This is interest on investment per farm. Estimated values for this item are shown in table 34. These values were obtained by applying rates of 5 percent to value of investment in land and buildings, and 7 percent to the value of investment in machinery and equipment and livestock.

TABLE 34.—ESTIMATED INTEREST ON INVESTMENT PER FARM FOR COTTON FARMS, BY ECONOMIC CLASS, BY REGIONS: 1954

Region	Economic class of farm						
	All classes	I	II	III	IV	V	VI
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
I	403	6,684	2,432	857	373	246	149
II	312	6,564	2,654	1,153	495	307	202
III	364	7,735	3,083	1,029	472	283	181
IV	724	10,132	2,953	1,008	444	235	151
V	603	10,298	2,889	1,311	685	399	252
VI	1,211	7,604	3,244	1,405	849	573	307
VII	1,636	9,263	3,819	2,011	1,171	712	438
VIII	3,772	12,167	3,716	1,970	1,228	810	571
IX	4,012	7,676	3,392	1,939	1,399	1,041	651
X	6,963	14,614	3,633	1,821	1,196	650	425
Total, 10 regions	886	10,717	3,285	1,332	586	311	195

When this allowance is made for remuneration of the aggregate of physical sources that are employed, the residual of sales that is left to compensate the human agent, to take care of nonspecified cash expenses, and to allow for replacement of worn-out equipment, is strikingly small on the three smallest size-of-business groups. Even for Class III farms, the residual of around $3,000 per farm for most regions suggests very modest returns to the people involved.

TABLE 35.—SALES PER FARM MINUS SPECIFIED EXPENSES AND IMPUTED INTEREST ON INVESTMENT FOR ECONOMIC CLASSES OF COTTON FARMS, BY REGIONS: 1954

Region	Economic class of farm						
	All classes	I	II	III	IV	V	VI
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
I	1,296	11,588	4,114	3,053	1,982	912	347
II	775	15,223	4,230	2,563	1,759	892	296
III	1,166	20,694	5,411	3,374	2,013	1,020	350
IV	2,448	24,213	6,086	3,828	2,200	1,174	445
V	1,122	24,413	5,140	2,884	1,542	760	144
VI	2,656	19,986	7,387	3,367	1,872	809	217
VII	2,224	26,565	5,470	2,404	1,124	482	71
VIII	7,019	25,909	7,063	2,890	718	356	−114
IX	11,526	26,141	8,572	3,151	1,062	126	−257
X	25,222	60,100	6,770	2,620	1,303	492	178
Total, 10 regions	2,520	35,386	6,602	3,215	1,892	978	325

Data that relate more specifically to the levels of labor productivity on cotton farms are provided in tables 36 and 37. In these tables sales per farm minus specified expenses, and sales per farm minus both specified expenses and imputed interest on investment have been divided by the estimated man-equivalent workers per farm.

For these two tables expenditures for hired labor were not deducted. This procedure was used because hired workers are a component of the farm labor resources. The reader should keep in mind that not all cash expenses are allowed for, and that no deduction has been made for depreciation. The values shown in these two tables, therefore, overstate the net output and productivity of the human agent.

Attention is invited to the relatively modest values shown for even the largest farms. In a different context, and with different implications, it is important to note also the progressive increase shown in this crude measure of labor productivity as the size of business increases from Class VI to Class I in any region.

TABLE 36.—SALES MINUS SPECIFIED EXPENSES (EXCEPT HIRED LABOR) PER MAN-EQUIVALENT, FOR COTTON FARMS, BY ECONOMIC CLASS AND REGIONS: 1954

Region	Economic class of farm						
	All classes	I	II	III	IV	V	VI
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
I	1,272	3,153	2,784	2,121	1,548	911	435
II	959	3,372	3,132	2,324	1,640	1,027	470
III	1,121	4,064	3,453	2,281	1,478	947	461
IV	2,091	6,055	4,346	2,742	1,600	1,005	499
V	1,393	4,631	3,564	2,544	1,546	942	356
VI	2,789	7,421	5,743	3,091	2,031	1,176	493
VII	2,788	5,846	4,359	3,037	1,925	1,153	507
VIII	4,405	5,504	4,488	3,202	1,927	1,435	524
IX	6,860	8,667	6,097	3,755	2,462	1,325	401
X	9,866	11,395	6,264	3,979	2,907	1,716	716
Total, 10 regions	2,401	8,105	4,734	2,748	1,618	984	459

TABLE 37.—SALES MINUS SPECIFIED EXPENSES (EXCEPT HIRED LABOR) AND IMPUTED INTEREST ON INVESTMENT PER MAN-EQUIVALENT, FOR COTTON FARMS, BY ECONOMIC CLASS AND REGIONS: 1954

Region	Economic class of farm						
	All classes	I	II	III	IV	V	VI
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
I	1,020	2,442	2,069	1,748	1,329	735	311
II	699	2,716	2,276	1,747	1,310	791	286
III	878	3,283	2,490	1,813	1,216	745	310
IV	1,689	4,739	3,252	2,238	1,353	848	383
V	991	3,678	2,632	1,920	1,143	657	146
VI	2,077	5,768	4,268	2,352	1,500	735	237
VII	1,879	4,702	2,995	1,979	1,089	560	142
VIII	3,296	4,210	3,327	2,264	1,050	699	48
IX	5,374	7,034	4,684	2,543	1,296	284	−191
X	8,168	9,634	4,448	2,678	1,820	994	291
Total, 10 regions	1,880	6,637	3,517	2,082	1,273	762	297