Table 24.—Sources of Farm Income on Dairy Farms, by Economic Class of Farm, for the Northern Lake Region: 1954

Item	Economic class of farm						
	Total	I	II	III	IV	V	VI
Number of farms	124, 501	425	10, 548	41, 266	46, 789	20, 843	4, 630
Gross sales—							
Per farm...dollars	5, 279	34, 271	13, 002	6, 918	3, 764	1, 924	851
Per crop acre...do	58	95	78	63	48	35	21
Percent of gross sales from dairy products	67	65	63	67	71	72	72
Sales per farm:							
Milk...dollars	3, 563	22, 428	8, 184	4, 647	2, 654	1, 387	613
Cattle and calves...do	553	3, 733	1, 267	696	417	244	115
Hogs...do	480	3, 750	1, 731	665	232	74	21
Poultry products except eggs...dollars	39	102	96	51	28	15	6
Eggs...do	249	566	478	344	197	98	41
Sheep...do	11	93	24	13	8	5	4
Other livestock and livestock products...dollars	7	41	14	12	8	6	5
Total, livestock and livestock products...dollars	4, 902	30, 713	11, 794	6, 428	3, 544	1, 829	805
Field crops...do	307	3, 053	1, 008	401	174	71	33
Other crops [1]...do	70	505	200	89	46	24	13
Total crops...do	377	3, 558	1, 208	490	220	95	46

[1] Includes horticultural and forest products.

Specified expenses per farm are less than for any region previously described (Table 25). Feed purchases represent around two-fifths of the specified expenses for each subregion; the quantity bought varies from $6 per acre of total cropland in Economic Subregion 88 to $11 in Economic Subregion 65. Feed expenses are less than for any other economic subregion of the dairy belt except the Northern Woods Region which bought only one-fourth as much feed as dairymen of the Northern Lake Region. The size of farms, the types of crops grown, and the degree of mechanization are comparable among the economic subregions so that such items as machine hire, gas and oil for farm work, and hired labor do not vary much.

Table 25.—Specified Farm Expenditures on Dairy Farms, by Economic Class of Farm, for the Northern Lake Region: 1954

Item	Economic class of farm						
	Total	I	II	III	IV	V	VI
Number of farms	124, 501	425	10, 548	41, 266	46, 789	20, 843	4, 630
Average per farm:							
Machine hire...dollars	144	220	201	167	139	100	53
Hired labor...do	228	4, 731	837	270	109	56	19
Feed...do	881	5, 012	2, 021	1, 149	645	372	186
Gas and oil...do	360	1, 574	715	447	298	182	99
Fertilizer...do	135	1, 171	412	175	84	35	16
Lime...do	18	95	45	23	12	6	3
Total...do	1, 766	12, 803	4, 231	2, 231	1, 287	751	376
Average per crop acre:							
Machine hire...do	2	1	1	2	2	2	1
Hired labor...do	2	13	5	2	1	1	(Z)
Feed...do	10	14	12	11	8	7	5
Gas and oil...do	4	4	4	4	4	3	2
Fertilizer...do	1	3	2	2	1	1	(Z)
Lime...do	(Z)	(Z)	(Z)	(Z)	(Z)	(Z)	(Z)
Total...do	19	35	24	21	16	14	8

Z Less than 0.50.

The net farm income and other measures of efficiency in the utilization of resources in this region continue to emphasize the influence of size (Table 26). The small farms unconsciously use all resources including labor in a prodigal manner. This probably can be remedied only by increasing the volume of business, because it is ordinarily not possible economically to reduce the available family labor or the capital invested in the farm. Production of crop and pastureland as well as of livestock can be increased, however, by some slight expansion in the capital used in the purchase and correct use of fertilizers, but more readily by improved methods of production which may not require more capital but will require an intense application of best cultural and management practices to land, crops, and livestock.

Table 26.—Measures of Income and Efficiency Levels for Dairy Farms, by Economic Class of Farm, for the Northern Lake Region: 1954

Item	Economic class of farm						
	Total	I	II	III	IV	V	VI
Number of farms	124, 501	425	10, 548	41, 266	46, 789	20, 843	4, 630
Gross sales per farm...dollars	5, 279	34, 271	13, 002	6, 918	3, 764	1, 924	851
Specified expenses per farm...do	1, 766	12, 803	4, 231	2, 231	1, 287	751	376
Gross sales less specified expenses per farm...dollars	3, 513	21, 468	8, 771	4, 687	2, 477	1, 173	475
Gross sales per man-equivalent	3, 785	7, 616	6, 616	4, 324	2, 689	1, 749	851
Total investment—							
Per farm...dollars	24, 169	106, 500	48, 308	29, 208	19, 754	13, 414	9, 594
Per man-equivalent...do	17, 264	23, 667	24, 154	18, 255	14, 110	12, 195	9, 594
Per $100 gross sales...do	456	310	372	423	520	706	1, 066
Percent of sales of dairy products from cream	3	1	1	2	4	8	16
Milk sales per cow:							
Dollars	201	323	261	213	174	138	97
Pounds (milk equivalent)	6, 594	9, 772	8, 242	6, 987	5, 857	4, 814	3, 445

It is not easy to tell from available information just what are the reasons for the very low income. It is not known whether the operators of smaller farms patronized condenseries and cheese factories while the larger farms sold to the higher-paying fluid milk markets. Larger farms are better able to comply with the regulations placed on sellers of fluid milk. They are also better able to send to market a fairly constant supply of milk throughout the year, whereas the sales of the smaller operators may be quite variable.

One pertinent situation does show up in these records: the lower the income the larger is the proportion of cream sold. The whole area averaged $6 per cow from this source, or 3 percent of the total income from the sale of both milk and cream.

The highest cream sales were in Economic Subregion 88, where they constituted 20 percent of the total sales of dairy products. Economic Subregion 68 received only 4 percent of its dairy income from cream; the two other subregions sold only token quantities. Economic Subregion 88 received $2.77 per 100 pounds milk equivalent for all milk sold, compared with $3.09 for the eastern part of the area.

A somewhat wider price differential is shown for farms grouped by economic class. The average milk price for Economic Class VI was $2.81 per 100 pounds and 16 percent of this was from the sale of cream. The average price increased and the percentage of cream sales decreased with the economic class, until Economic Class I showed almost no cream sales and an average milk price of $3.31 per 100 pounds.