THE UP-TO-DATE FARMER KEEPS FARM ACCOUNTS **EXACTLY AS ANY OTHER CAPTAIN OF INDUSTRY**

Head of Farm Management Department At Ontario Agricultural College Tells of System By Which Any Farmer Knows What Each Farming Operation Costs Him, and Practically At a Moment's Notice Can Ascertain His Success Or Failure.

GOOD-BY TO THE HAPPY-GO-LUCKY FARMER

of horses, hitched to a plow or to farms was 26 cents per hour, making the total of 94 cents an hour." farm, you can take out your little note book and make an entry saying 'cost,' in there, what do you mean?"

that it costs 94 cents per hour to do that.

How do we make that statement?
Because Professor Leitch of the farm management department at the following he is playing safe. It includes enough to provide another horse by the time the old one is worn out. It is a fair arrivate that O. A. C. at Guelph, says so. And how does he know?

practical in the work of bookkeeping question came very easily. around and asked The Advertiser asked from a purely inquisitive turn, man what he meant. So the first but it seemed to follow. thing he thought of was a man drivthing he thought of was a man driv"Are these farmers making money?"
"Yes, they are." When the Guelph

"It costs 94 cents an hour to one

How Result Was Reached.

from 17 farms in Oxford County for the year ending May, 1921. They ture, and make a neat return out of may vary a little from that now, with the price of feed. But here is how we found out. We kept records of some 400 farms, but for some purposes it is better to confine the effort to a certain number of make a neat return out of that. We passed such a place up. In another a man might have 800 chickens, and be specializing in that, so we kept that place out, too, in an effort to a certain number of make a neat return out of ative farms where records can be engaged in agriculture in these parts Cash expenses, table, educanumber of horses worked on these farms is five. Taken on the basis of five horses have are the flat basis of flat basis of five horses have are the flat basis of fl five horses, here are the figures:

Use of pasture, taxes, and depreciation, at 6 per cent,

and use Man labor Forks, shovels, blankets

Increase in worth of horses Total cost of 5

When you see a man using a team average for farm labor on those 17

What "Cost" Includes. "But when you use that word,

out. It is a fair estimate that can be safely adopted by any Well, if you must have the details, farmer who wants to know exactly well, if you must have the details, here is how it happens. The AdverHaving put the team of horses and ther asked Professor Leitch in his the plow in their proper columns in the books for the night, why the next on the farm. And he turned right about. Perhaps it may have been

ing a team of horses hitched to a apostle of costs makes a statement, plow or a mower, and so the question was framed in that direction.

Professor Leitch sits in an office

Professor Leitch sits in an office before the committee on agricultural

Records Are Fair.

ate any horse-drawn machinery or "When we keep records of farms, implements with a team of horses and and these are the same 17 farms I "When we keep records of farms, driver, and that takes in every-spoke of before, we try to do it fairly When we took in these particular 17 out of some 400 an Oxford County, we "These figures," remarked Profes- made sure they were truly represensor Leitch, "are the average taken tative places. In some cases a man fort to a certain number of represent- oughly representative that, any man we start with a farmer we discuss Feed and bedding \$ 692.43 the question of salary to be allowed Shoeing 14.64 him. We try to find out what he thinks he could secure were he to 25.32 go out and look for a position similar to running a place like his, or what 34.67 other man to come in and take over 184.97 his responsibilities for a year. 2.48 this way we come to a reasonable in the county of Oxford.

14.75 basis, and one that is fair to the Cost of Milk Production. 14.75 basis, and one that is fair to the farmer and fair to the records."

"Yes, but the man on the farm gets

a lot of things that the man in the city has to pay cash for?"

That gives an hour cost of 26.93 entered by the form of the city has to pay cash for?"

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That includes labor at 26c per hour, 5 per cent on the investment, is depreciation, and the market value of farm feed, with mill stuff at current prices.

The form of things that the man in the city has to pay cash for?"

That includes labor at 26c per hour, 5 per cent on the investment, is depreciation, and the market value of farm feed, with mill stuff at current prices.

The form of things that the man in the city has to pay cash for?"

That gives an hour cost of 26.93 entered by the farm of the city has to pay cash for?"

That includes labor at 26c per hour, 5 per cent on the investment, depreciation, and the market value of farm feed, with mill stuff at current prices.

That gives an hour cost of 26.93 entered by the reporter, "you must be out on your count here some place, for you don't mean to say there could be a spread of from 29 cents per bushel to way with my accounting, and would supplies by the farmer, the current prices.

The form of the investment, the reporter, "you must be out on the investment, the reporter, "you must be out on the recent of the reporter, "you must be out on the recent of the reporter, "you must be out on the recent of the reporter, "you must be out on the recent of the reporter, "you must be out on the recent of the reporter, "You must be out on the recent of the reporter, "you must be out on the recent of the reporter, "You must be out on the recent of the reporter, "You must be out on the rece

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too long were disappointed.



PROF. ARCHIBALD LEITCH.

of the farm management department of the O. A. C. He is the pioneer of what this work on a large scale in Canada. Not a theorist, nor a faddist, and realizing the need for simplicity in a system that will be useful and not cumbersome, Prof. Leitch now proposes to branch out into other lines. The latest is in finding the cost of handling milk, through the present system Professor Leitch sits in an office the committee on agricultural that is decorated with figures. Figures to the right of him, figures to the left of him. Figures upstairs and the replied with an equally voluminous and authentic bombardment uninous and authentic bombardment of figures.

t	
	the cost of it, state of repair, interest, etc. Then we charge the farmer
	for things he gets in the way of sup-
	for things he gets in the way of sup- plies, any fuel he takes or the use he makes of horses for driving or pleas-
L	makes of horses for driving or pleas-
	ure purposes. He keeps a separate
7	account of his cash expenditures for
•	the table, clothing, education, etc.,
	and right here let me say it would
1	be a good thing for a good many peo-
	ple in the cities if they would keep
£	their household accounts as straight
1	as some of the farmers are doing
9	right now. On these 17 farms in Ox.
	ford the averages are shown in this
2	table:
	House rent\$ 234.00
	Supplies, table, fuel 461 00

... \$3.054.00 The average labor allowance for the

farmer was \$948 per year. The average acreage was 103; value of land, Then there is the n \$6,081; buildings, \$5,417; equipment, milk, which gives th

Oxford is largely a dairy county, one of the best for this line of busi-\$1,058.31 a lot of things that the man in the ness. Hence milk costs are followed.

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prices that are right.

Cash Expenses.

eas-	Purchased reed 21.3
rate	Labor hired
for	Cash cost fencing, pasture,
etc	taxes 05.4
ould	Depreciation of cows and build-
peo-	ing
teep	
ight	Cash expenses 63.5
oing	Supplied By Farmer.
Ox.	Farm-grown feed
this	Use of farm horses 2.7
	Use of equipment 3.1
4.00	
1.00	Labor Costs.
	Farmer and family help 35.2
2 00	Interest on investment-cows

building, etc., at 5 per cent ... 24.1c Total cost \$2.63 Allow for calves.....14

Add cost \$2.49

Come in tomorrow and choose just the kind and size you want

while our stock is fresh and complete. Last year many housewives

waited too long to get just the one they wanted. Now you can get

a side icer, top icer, front icer or ice box in almost any size and at

Puts Any Refrigerator

In Your Home

TABLE OF PAYMENTS

25c 50c 75c

"Do other counties do as well as the dairy farmers in Ontario?" asked

Other Figures. "As a general thing, no. Here are some figures that include parts of Dufferin, Peel and Wellington: Labor allowance \$ 927.00 Interest earned Total income\$1,825.00 Here is what they spent: House rent\$ 267.00 Supplies, services 796.00

not make money. They were dealing mostly in beef cattle, potatoes hogs, sheep, mixed farming generally, and perhaps felt the drops in prices a little sooner than the dairy men did. records were kept just as thoroughly one way as in the other, so we are quite sure of the figures."

"Any more questions?" asked Prof. Leitch, as he settled down to the

next query.
"Yes. Sure—come on back into Oat Cost Per Bushel.

"All right, here are the figures." 100 pounds, or 40 quarts. Here is grown in Oxford. "The cost of growing a bushel of oats in Oxford in the

Here are the figures:	18.5	cents.
Seed	6.8	cents
Twine	1.1	cents
Threshing	3.6	cents
Spring and fall work	6.6	cents
Labor, hired	2.1	cents
Other labor	5.2	cents
Horses		
Use equipment		
Tractor	1.0	cents
Use buildings	2.1	cents
Use land	5.7	cents
Manure		
Int. land, horses, machinery	9.1	cents
	80.5	cents

"That gives an hour cost of 26.93 cents for a horse. When you hitch a horse up to an implement, you increase your hour cost by 7.7 cents per hour, making 34 cents per hour. So, speaking in your own terms of a team hitched to a plow, you have two horses at 34 cents an hour, and the salary rent for the house, based on thouse of the house, based on thouse up to an implement, you increase your hour cost by 7.7 cents is worked out on just the same basis into.

"What's that for?"

"What's that for?"

"For showing the cost of producing supplies by the farmer, the current we price of feed supplies by the farmer, the current for the house, based on the city, or who is in business for himself in any other line. After arrivate and the supplies by the farmer, the current for the house, based on the city, or who is in business for himself in any other line. After arrivate and the supplies by the farmer, the current for the same basis into.

"What's that for?"

"For showing the cost of producing to price supplies by the farmer, the current for the farmer got that price' \$2.70 per hundred farm reckoner was ready with his expension." Here we have two tenders of the farmer pounds, according to prices at that expension and the supplies by the farmer, the current for the farmer country?"

"Exactly as it is there," and the farmer got that price' \$2.70 per hundred farm reckoner was ready with his expension." Here we have two tenders of the farmer country?"

"Exactly as it is there," and the farmer got that price of feed supplies to the farmer to supplies the current for the supplies to the farmer current for the house, based on the city, or who is in business for himself and the city of the farmer to supplies the farmer to suppli

high ground, is well manured and in good shape. The other is perhaps in a low spot. We have a wet season or rust or something else. The cost good crop and the other man does not. One man has a low cost per bushel and the other man has a high cost. That is one of the hazards of farming that many of the people in the cities seem inclined to overlook at times. If the farmer took oats that showed a statement that he would have to get 76 cents for them, he would be laughed at and told that the figures for the day were 45 or 50 cents, or whatever the market might be at that time."

Average Crop Costs.

"Want any more crop costs for Oxord? Might as well have them now hat you are here?" suggested the O. A. C. man.

"Well, then, give us average costs for farm crops in Oxford." That seemed like a fairly large order, but came through quite readily. Mixed (oats, barley)

Many Accounts Kept.

There are hundreds of farmers keeping accounts in various parts of largely through farmers' clubs, and the cost is only 15 cents each, but the armer must make application. In Oxford alone books are kept on 460 The extensive entries from which the above cost prices were taken are secured by some 25 farmers who make entries each day. At the end of the year all these records are sent to the farm accounting department at the O. A. C., where each item is taken and placed in its proper place. These also include all the labor operations for the year. It takes almost five weeks to finish a complete accounting for the year on one farm. This amount of work could not be applied to a large number of farms, but by doing it with these 17 elected places it is possible to obtain e safely used as a working operation by any other farmer in that or a similar district.

In the small account book records ake in the following: Inventory of farm, land and buildings, horses, colts, cattle, sheep, hogs, poultry, chinery, and what a list is left for this. Here are some items for which blanks are left: Wagons, buggles, cutters, sleighs, plows, tractor, disc, harrow, cultivator, roller, grain or corn binder, corn planter, grain or mower, hay rake, tedder, hay loader, hay fork, slings, litter carrier, manure spreader, feed grinder, ensilage cutter, fanning mill, potato machinery, orchard sprayer, gasoline engine, farm tractor, work harness, light harness, milking machine, cream separator, scales, etc. One can readily realize after looking over the list what is meant in farm sale ads, by that line, "Other articles too numerous to mention." But they all cost money, they are all needed, therefore, they are included.

Other accounts are for horses, including all shoeing, veterinary fees, corn binder, corn planter, grain drill, mower, hay rake, tedder, hay loader, hay fork, slings, litter carrier, manure

date, he was getting along fairly well. He was getting paid for his work, or work done by members of the family; taking care of the depreciation of his herd and buildings, etc. He was not padding his accounts, but simply including in them items that rightly belong there, as any man would do in any other line of business. Accurate Cost Accounting Systems Show Good Farmers Their Mistak Makes Successfu Farming F. Show Good Farmers Their Mistakes, Makes Successfu Farming Easier

"With Books Well Kept You Don't Guess Whether Your Farm Is a Success Or Failure-You Know." Say Farmers Who Advocate Cost Accounting On All Farms.

loss. As far as that goes, you can survey, I was very well pleased, and of my farm work which showed a loss call it what you like. Figured on a fair business basis, those farmers did would give me the needed informations.

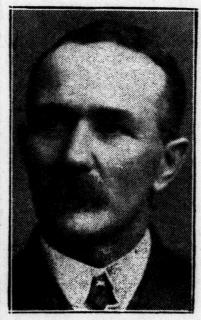
farms. That was the first thing I grow mixed or each variety by itself. did on receiving my returns from "I am satisfied that any person Guelph. In doing so, I found that who has once kept cost accounts of I was obtaining too much of my in- different branches will at once give per cent, when it should have been which show a loss, and he will cor Oxford County again and let us see around 60 per cent. My wife had al-what it costs to grow a bushel of ways told me this, but I could not if possible, or cut out that line and on at the farm. Without keeping ac

believe it. I immedinately proceeded put more energy on the more profitto correst this by reducing my herd and growing some cash crops, as this And out comes another sheaf of rec-my chief cash crop is hay also a few ords, dealing mostly with Banner and pigs, and some pure-bred cattle. By O. A. C. 72, the varieties largely some slight changes otherwise, I was enabled to raise my labor income from below the average to the top next year.

Cost Accounting.

"Cost accounting has shown me for himself." that the average farmer should not specialize too much. That it is to ville, has been keeping books in one his interests to extend his operations over a wide range, as I find there as he has been farming just that is nearly always some crop which is a bumper one, and some a partial failure. Also, that there is a proper time for sowing each crop, as one follows another in rotation. Prof. Leitch brought this to our attention last year, not to be carried away by finding that one crop paid better than another, as if we sowed all one crop part would be sown too early for better to grow a number of crops and used a system of my own with the average returns. To obtain best re- aid of a Merchants Bank account Net cost 48.5 cents average returns. To obtain best re-"You will see," remarked Prof.
Leitch, "that if a farmer feeds his
stock and gets a return of 48.5c per
"You will see," remarked Prof.
Leitch, "that if a farmer feeds his
ley, oats, corn, millet, buckwheat,
This allows of a wide range of seeding will July but each has its proper Then there is the marketing of the bushel for oats he is getting on all time to be sown to obtain maximum

> are the different cost figures for these vation—114 acres out of 150. Of this seventeen farms—29, 23, 33, 43, 46, 45, untillable land, fifteen was woods, seventeen farms—29, 33, 33, 43, 46, 45, untillable land, niteen was now, 50, 51, 53, 53, 58 and 76 cents per and the rest bush pasture. I am preparing to bring under cultivation preparing to bring under cultivation



RALPH PEARSON.

Mr. Pearson, of Hickson, says he would recommend that any farmer do not.

ecommend them to any person con-Ontario. The account book is sold sidering starting cost accounting."

Careful Records.

Mr. Ralph Pearson of Hickson has also kept careful farm records, espe-cially for the last four years. "Although I have kept accounts of receipts and expenses for years," he states, "it is only this last four years

Heart Palpitated **And Was Short** of Breath

large majority of people are troubled, definite and reliable totals that can more or less, with some form of heart

overwork or worry starts it to pai-pitate and throb, skip beats, beat fast for a time and then so slow as to bees, grain; then all the farm magreat anxiety and alarm.

Milburn's Heart and Nerve Pills

Mr. W. W. Nancekivell, Ingersoll, I have kept cost accounts of each finds that he gets much of his most crop of different kinds of grain, and valuable information by comparing also of the different kinds of stock on House rent \$267.00
Supplies, services ... 796.00
Cash expenses ... 1.222.00
"Well, hold on a bit, professor, doesn't that show that there was a loss of \$460 on these farms?"

"Exactly what it represents. It means that they had to take from their capital \$460 to break even on the year. You may say, that this does not represent an actual cash loss. As far as that goes, you can loss of the different kinds of stock on the different accounts is trifling. It fook up gost accounting, and I have never regretted the step. For some years I had not received the returns from my farm I thought I should, and if there had been a special kind of crop, also on the different accounts is trifling. It fook up gost accounting, and I have never regretted the step. For some years I had not received the returns from my farm I thought I should, and if there had been a special kind of counting in the different kinds of stock on the different accounts is trifling. It fook is the different accounts is trifling. It fook up gost accounting, and I have different accounts is trifling. It fook up gost accounting, and I have different accounts is trifling. It fook u

later took up cost account- anxious to get the most out of farming to keep the cost of everything he ing in the same way.

"I get the best information by grows on the farm, and then he will comparing my returns with those of others, and with the conclusions of oats, also oats and barley mixed, Prof. Leitch on a study of all the and find which is the better way, to "I am satisfied that any person

Recommends System.

"I would recommend any farmer to keep cost accounts, for it shows which crop makes money, and the one that his own personal good, to have a loses money; also each line of live stock, how much it makes, or a loss, if any, and at the end of the year how much he has made after allowing interest on investment and salary

Mr. George A. Brown, of Beachnumber of years it means that he has always kept books. Speaking to The Advertiser of his experience, Mr.

Brown said:
"I am now just finishing my third year in 'cost accounting' for the O. A. C., and prior to that I kept accounts for a couple of years in connection with the same institution, which was then conducting a farm survey. For two years before that I farm book. This makes a total of I have been engaged in farming. One might gather from that that such a short term of experience in practical questions you have asked. In explanation, I might say that, although I prowled around over most all America, and worked at everything average farmers. tions back. I had the farmers' blood track of feed, labor and equipme

fitted to do and make a success of. "Where You Are At."

up my mind to one thing, based upon what business experience I had acquired off the farm, and that was that some system of determining very nearly which of his depart you are at' was absolutely necessary in the farm business. My subsequent experience has proven ing of his own. that I was right. After what cost accounting has taught me, I would no more think of starting a year's operation without a good system of book-keeping than I would start out to crop usually shows a loss, due to the

wrong.
"You ask what farm accounting lished lines, cost accounts might be can be expected to accomplish for the average farmer. Now, if you Any farmer with the average farmer. sion to business methods in applying them to his work. But one thing I do believe is that in the future the man who applies business methods therefore bookkeeping, will not only profit by the same, but the man who loes not will be forced out of the

One Man's System.

"I know a man who, like most of old-time farmers, made his

the same as all other business, and the man who does not keep pace with the advance is left behind. Farmers ment to discuss the must necessarily earn more money league's opium commission. Minow than in previous years. Their Porter took sharp issue with a state

going to pay for it? Only one wayimproved methods of business. how can be tell if one method is better than another without records to guide him?
"Yes, Mr. Editor, I say most em

Many people may be unaware of having anything wrong with their heart till some little excitement, heart till some little excitement, or worry starts it to paino other better remedy for the un- Hon. G. P. Graham, acting minister favorable position agriculture is of railways, placed on Hansard a placed in at the present time. placed in at the present time.
"I predict that the 'sod busters' will wear out more lead pencils in insurance companies.

schedule showing rates of insurance premiums hitherto paid to various insurance companies.

the next generation than they have in the past ten. If such is not the case, I feel sorry for the future of the industry.

Excellent Work.

"I might add that I feel that Prof Leitch and his staff at the O. A. C. have done a wonderful work for the industry of farming by their efforts along the line of cost accounting on the farm."

Mr. F. N. Lampman of Burgess-ville is another agriculturist who has always kept farm accounts, but in the last three years has paid particular attention to the work. Mr. Lampman states:

but since using your famous Pills
I have felt like a different person."

Price 50c a box at all dealers or mailed direct on receipt of price by The T. Milburn Co., Limited, Torontol Ont.—Advt.

Lampman states:

"In the first place, I have always kept a money account, but for the past three years I have kept account of every separate account of the business carried on. I would say it is very excouraging to have a



DOUGLAS HART. Mr. Hart's address is R. R. No. 3. Woodstock. He believes thoroughly in cost work, but warns against any system that is too complicated to be easily understood and operated.

statement of all one's business carried count, one may know if he is making or losing money in regard to separate account, but he could not have a correct idea just where stands. I would say it is a good schooling for anyone to take up for knowledge of bookkeeping, and can place his hand on any part of hi business, and say where he is mak

ing or losing.
"I would further say one would have to have plenty of stick-to-it about him to keep it up, as some nights I feel as though it was a lit

The Advertiser. "You asked what it could be expected to accomplish for the average farmer. I don't know that he will make any more money, but he will make any more money, but he understand his business better. Yes. it will give him a more correct it will give him a more correct idea. It certainly is in his interest to fol-

Not Applicable To All.

Mr. Douglas Hart, of R R. No. 3, Woodstock, realizes the value of farm tensive system used to obtain cos figures is not applicable to many farms. The more simplified system farming would not be adequate to determine one way or another the more favor. Mr. Hart states that "We have been keeping cost accounts for the past three years, but think they are practical for the from prospecting for gold in the north to engaging in the movies in California, still, as I got my first tributes the labor it would be imtraining on the farm and come from possible for us. There is consider a race of farmers for two genera-

and naturally I came back to this and also quite a large amount of time work, which I believe I was best is required to keep the books in shape. The results, of course, are very use ful, but nearly as much so to others "In the first place, before I started who follow our type of farming as the presence of the place of the presence of the place of the presence of the place of th

"The tabulated results of the co ments are inefficient, provided that he has a simple system of bookkeep

without harness on the horses.
"You might say, 'Why so emphatic?' Well, here's the answer: without a system of bookkeeping you may guess a certain branch of opera-fitable crops), in its place. However may guess a certain branch of operation is paying or losing, and when one is guessing he is wrong about as often as he is right, but with books well kept you don't guess—you know.

"My books have surprised me in our own milk, we found out that many cases where I surmised such and such, but after a check-up have been astounded to find I was entirely where a man is embarking into machining that are not along established the control of the cont

know the average farmer as well as I know him you will agree that he counts for the farm management deis not a good business man, and moreover he appears to have an avertime to keep the books accurate an up-to-date will find them very interesting and instructive.

DECLARES LEAGUE'S ACTION ENCOURAGES DOPE SALE

Washington, April 24.—Assertion that action taken by the League of money by not spending it, when asked if he kept books replied: 'No, tended to legitimatize and thereby if I kept books I would quit farming. It answered, 'Yes, perhaps you would—at, least, the way you are farming now.' And that is a fair sample of many.

"We of farming have changed to legitimatize and thereby continue to encourage the sale of large quantities" of the drug, was made by Chairman Porter of the house foreign affairs committee in a letter published yesterday by Lord rming now.' And that is a fair house foreign affairs committee in a letter published yesterday by Lord Robert Cecil, leading British propo-Declining in his letter an appoint

ment to discuss the activities of the expenses are higher.

"In war time the farmer had his first taste of luxury. He liked it. He wants more of it. But how is he war are the w

PASS INSURANCE BILL. Canadian Press Despatch.

Ottawa, April 24 - Third reading was given in the house last night to the bill providing machinery for

