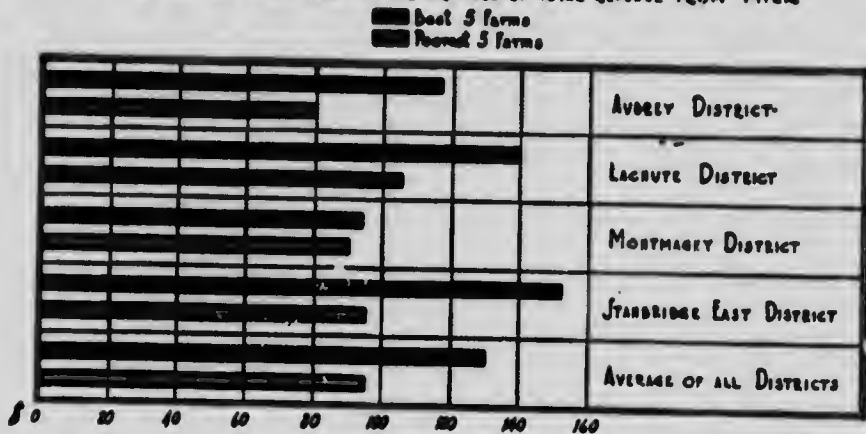


TABLE VIIA  
REVENUE PER COW ON FARMS DERIVING 50% OR MORE OF TOTAL REVENUE FROM MILK



A close study of tables VI and VIIA will help to explain why dairy farming, on the whole, does not yield the profits it should, and at the same time reveals the possibilities existing on well-organized and well-managed dairy farms. First, the reader will observe the very striking difference in the cost of milk production for the average of all the farms and for the five best and five poorest farms for each and all districts. It will be noticed in table VI that the average cost of milk production for the farms surveyed is \$2.07, the average price received per hundredweight being \$2.35, leaving a balance of \$0.28 per hundredweight to cover the work performed by the operator and the unpaid labour, or an average labour income of \$194 for 100 farms with farms averaging 126 acres with a total average capital of \$17,028.

A study of table VIIA reveals that there is a variation in average cost of milk production ranging from \$1.21 to \$4.34 per hundredweight. The average cost of milk production on the five best farms of all groups is \$1.26 per hundredweight, while the average cost of milk production on the five poorest farms of all groups is \$3.38 per hundredweight. A difference in the average cost of milk production on the poorest and best farms of \$2.12 per hundredweight should be such as to command serious thinking by dairymen who may be in this group. What is the cause of such a wide difference in the cost of milk production? If we study the average results obtained for the five best and five poorest farms in the Aubrey district, what do we notice? In the case of the five best farms there is an average capitalization of \$20,905, costing 11.8 per cent of the total capitalization for operation. In the case of the five poorest farms there is an average capitalization of \$13,864, costing 11.6 per cent of the total capitalization for operation. That is, operating expenses are practically the same in both classes of farms. However, in comparing the revenue, it will be noticed that the five best farms have an average gross revenue of 17 per cent against 6.5 per cent for the five poorest farms. This difference in revenue for the five best farms is made up by getting from every cow kept 1,092 pounds of milk more per year and also by procuring a higher revenue from the other sources on the farms. The percentage of capital used in operation being practically the same for both groups, the plus gross revenue for the five best farms helps to lower the cost of milk production, leaves a wider margin of profit per hundredweight, and enables the farmers of this group to make a plus labour income of over \$1,000 and practically \$1,800 above the average of the five poorest farms.

A study of all the other groups in the same light, will induce the same conclusion. In some cases the size of the farms and the total capital invested are reversed. But