

The expenditure of the farm was recorded under several items and the sum-total of these represent the total expenses.

The labour performed by sons of fourteen years of age or over was charged at the same rate as hired labour would have cost in that neighbourhood, thereby placing all the farms on the same level in determining the labour income.

An annual depreciation charge of 10 per cent was levied on machinery and 5 per cent on buildings and live stock.

Interest on total capital was rated at 6 per cent.

By deducting the total expense from the gross revenue, a balance termed the "labour income" is obtained, which represents the money obtained by the farmer and his wife for managing and working the farm. As there are groups of farms included in this survey making no labour income, the term and sign "plus" (+) and "minus" (—) labour income will be used to designate a farm or group of farms making a plus or minus labour income.

#### DEFINITION OF TERMS

*A mature horse or cow equals one animal unit.* Colts or young cattle and other classes of stock are fractions of animal units. For the sake of clearness, the following description is given:

##### Class of Stock

Cow	1	Equals one animal unit
W-lter (1 to 3 years)	2	" " " "
Calf (under 1 year)	4	" " " "
Bull	1	" " " "
Steer (feeding)	1	" " " "
Horse	1	" " " "
Colt	2	" " " "
Hog	5	" " " "
Pig	10	" " " "
Sheep	7	" " " "
Lamb	14	" " " "
Poultry	100	" " " "

*Cash crop* is a common term used to designate any crop that is sold directly for cash.

*Crop index* is a numerical measure of the crop production of the farm. It is arrived at as follows: The value of all crops grown on all farms surveyed is totalled up and divided by the total crop acres. The resulting number represents 100 per cent crop production. Individual farms having a crop yield higher than this average yield are given a number proportionately higher and those having a lower crop yield are given a number proportionately lower. Thus one farm may have a crop index number of 110, which means that the crop yield on this farm is 10 per cent higher than the average; or the crop index number may be 90, which means that the crop yield is 10 per cent lower than the average.

*Live stock index* is a numerical measure of the live stock production of the farm obtained in the same way as the crop index, using the total live stock revenue and the total animal units as factors.

*Tilled area* is the number of acres of land on a farm which have been brought under cultivation.

*Crop acres* is the number of acres of land from which a cultivated or a pasture crop is taken.