Table 25.—Specified annual direct costs, principal classes of livestock, with 1945 practices and improved practices, Southern Piedmont, North Carolina

Item	Produced with 1945 practices			Produced with improved practices				
	Milk unclassified (per cow)	Eggs (100 hens)	Pork (per hog)	Milk, wholesale (per cow) Grade A[1]	Milk, wholesale (per cow) Unclassified[2]	Eggs[3] (100 hens)	Broilers (100 chicks)	Pork (1 sow and 13 pigs)
Home-grown feed[4]	75	137	23	96	96	222	23	293
Pasture (cash)	0	0	0	9	9	3	0	24
Purchased feed	29	31	6	15	15	59	11	27
Depreciation or purchase (livestock)	3	24	10	5	5	20	13	0
Equipment and building (cash)	2	2	0	12	4	8	6	0
Miscellaneous[5]	4	0	0	9	8	5	2	2
Total	$113	$194	$39	$146	$137	$317	$55	$346

[1] Based on a herd of 20 cows.
[2] Based on a minimum of 5 cows.
[3] Based on a flock of 250 hens.
[4] Home-grown feed charged at farm value.
[5] Includes breeding fee, feed grinding, salt, and veterinary expenses.

a smaller scale. This problem differs somewhat from that of unclassified milk. Because of differences in equipment requirements, this enterprise is more flexible than is production of either Grade A milk or eggs.

Returns for various livestock enterprises are shown in Table 26. With improved practices, value of product less specified costs per cow for unclassified milk increased $36. For hens the increase was $1.34 per hen.

Since, in making these calculations, home-grown feed was charged at farm value, the specified cost for livestock includes value of home-grown feed, purchased feed, and other cash costs connected with the enterprise. (An alternative approach that can be made from the given figures would be to consider the combination of

Table 26.—Value of production and specified direct costs, principal livestock enterprises, Southern Piedmont, North Carolina

Enterprises	Unit	Value of product[1]	Direct specified costs[2]	Value less specified costs
		Dollars	Dollars	Dollars
			1945 practices	
Unclassified milk	Per cow	121	113	8
Eggs	100 hens	309	194	115
Pork	1 hog raised	36	39	—3[3]
			Improved practices	
Unclassified milk	Per cow	181	137	44
Grade-A milk	Per cow	305	146	159
Eggs	100 hens	566	317	249
Broilers	100 chicks	76	55	21
Pork	1 sow, 13 pigs	388	346	42

[1] Based on 1945 prices and rates of production as shown in Table 21.
[2] See Table 25 for items included.
[3] Represents a loss of $3.

home-grown feed and livestock as an enterprise.) Therefore, these data show the relative profit in feeding home-grown feed to livestock compared with selling it direct. In 1945 the difference was only $8 in the case of unclassified milk when feed was fed to dairy cows. This means that the farmer received only $8 in return for his additional labor and risk by marketing the feed through cows in contrast to direct sales.

Eggs compared more favorably as a channel for marketing feed. In the case of pork, when hogs were bought and raised, there was a loss of $3 when the feed was fed compared with direct sale of feed. However, almost all of the pork was grown for home use. If the farmer had bought the meat he would have had to pay retail prices, whereas these calculations have been made in terms of prices received by farmers.

Gains from marketing feed through livestock would be much greater under improved practices compared with 1945 conditions. For unclassified milk, the gain would be $44 per cow instead of $8 as under 1945 practices. Apparently little would be gained in terms of increased value in marketing grain through pork in excess of family needs, at 1945 prices.

Better practices for crops and livestock result in a two-way increase in the advantage to livestock. Not only is the return per unit of livestock increased, but with higher yields of feed crops, a greater number of units of livestock can be kept on a given acreage of land. It is evident, however that the quality of livestock must be improved in order to gain much advantage in terms of net returns, when feed is marketed through livestock rather than sold for cash.

PRESENT AND ALTERNATIVE FARMING SYSTEMS

Data presented in previous sections indicate that practices, rates of production, and resources on farms in the Southern Piedmont vary widely. Relative to potential levels, farm incomes are low, and conservation of resources is poor. However, there are significant opportunities for improving present farming systems and, consequently, net farm incomes by incorporating improved practices and adjusting wisely the present enterprise combinations for more effective utilization of land, labor, and other resources of production.

Farms, representative of the predominate situations, are used to illustrate means of raising net farm incomes consistent with proper conservation of farm resources. In the analysis, comparisons are made between organizations as they existed in 1945 including present practices, and alternative organizations in which improved practices are incorporated. In the analysis of alternative organizations, "representative farms" were developed. These are actual farms adjusted in view of modal tendencies in the area. These adjustments required only minor changes in actual organizations and practices. Soils maps of actual farms representative of each size were selected and used in the appraisal of adjustment opportunities. The basic factor for classification in this analysis is acreage of cropland, as the other factors are generally more flexible in relation to potential scale of operation.

The most profitable farming system depends upon many variables. One of these is the relative returns as influenced by yields which in turn are affected by soil conditions. Another variable is the price relationships, which depend upon conditions of supply and demand for the commodities. But the influence of one farmer's production on total supply is negligible. Therefore, the approach in