

ACCOUNTS OF A HAMPSHIRE DOWN FLOCK.

SIR A. D. HALL, K.C.B., F.R.S.

In this JOURNAL for May, 1920, the accounts of the Pedigree Hampshire Down Flock belonging to the Lord Wandsworth Orphanage and kept on their Long Sutton Estate in Hampshire were set out for the year ending Michaelmas, 1919. Below are set out the corresponding figures for the following year, ending Michaelmas, 1920.

Cr.	1919/1920.		1918/1919.	
	£	s. d.	£	s. d.
To Capital a/c 11th Oct., 1919—				
261 Ewes at £4 .. .. .	1,044	0 0		
4 Rams at £7 .. .. .	28	0 0		
Half cost purchased ram ..	78	15 0		
Cost hired ram .. .. .	52	10 0		
Keep, May 1st, Oct. 11th ..	583	0 0		
63 Ewe Lambs { at cost on }	760	11 0		
20 Ram Lambs { May 1st }				
Keep, May 1st, Oct. 11th ..	206	6 8	2,753	2 8
Labour .. .. .			2,812	16 4
Horse Labour .. .. .			537	8 0
Purchased foods consumed ..			87	19 6
Roots, Vetches, Kale, etc., consumed, at cost .. .. .			1,462	0 11
Fields grazed, at cost .. ..			977	19 8
Hay consumed, at market price £13, plus tying 5/24 .. .. .			139	13 6
Oats, Beans consumed, at market price .. .. .			566	10 8
Sundries .. .. .			160	10 7
Management and other general expenses .. .. .			204	4 7
Ram lambs purchased (3) .. ..			250	0 0
Ram Lamb hired .. .. .			435	15 0
Pedigree Suspense a/c, 1/3 Cost 40 ewes, 1/4 Cost 1 Ram.			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261	15 4
			88	4 6
			662	8 9
			673	16 7
			74	9 0
			402	16 3
			295	7 2
			161	11 9
			256	3 5
			157	10 0
			52	10 0
			321	19 11
			7,949	15 0
			6,043	7 2
			261</	

It may be explained again that the accounts are kept on a costs basis. The initial valuation is arrived at by taking the number of flock ewes on 1st May (approximately the date of weaning) at the average figure of £4 each. Old rams are similarly valued at £7 each. From 1st May the cost of keeping (a) the ewes, (b) the selected ram lambs, (c) the ewe lambs and wethers is kept separately, and the valuations at Michaelmas are made up of the flock ewes at their fixed £4 price and the cost of keep between 1st May and 11th October, any ram lambs remaining unsold at cost, also ewe lambs and tegs at cost. The valuation figure has also to include the cost of any rams hired for the coming season, and one-half cost of rams purchased. For book-keeping purposes a pedigree suspense account is kept which is debited with the cost of ewes and rams purchased for the flock. one-half of the ram costs are charged to the flock in each of the two years after purchase, and the cost of the ewes is similarly spread over three years. The labour and horse labour items represent actual costs; the crops that are folded off are charged at two-thirds of the cost of cultivation, plus the cost of seed (the manures and one-third of the cultivation, as representing cleaning costs, are passed on to the succeeding corn crops); hay, oats and other foods grown on the farm are charged at market prices.

An examination of the figures for the two years shows that the costs of keeping the flock, high as they were in 1918-19, have been greatly increased in 1919-20. The cost of the labour directly employed upon the flock (one head and one assistant shepherd and one labourer) has increased from £406 to £537. Similarly the cost of the crops consumed, again largely labour, has increased from £673 to £978. The chief increase in the expenditure comes, however, in the purchased foods, the cost of which has risen from £662 to £1,462. To some extent this has been due to a large number of lambs raised and to increased prices, but the extra cost has been chiefly due to the fact that during the year in question feeding stuffs were again obtainable in quantity and were consumed on the principle of "no stint" and "the best is good enough for me" which prevails in the rearing of pedigree stock. Less home grown oats and beans were used, the grazing (92 acres of lattermath) on the other hand cost rather more, but this cost is accidentally swelled by a very heavy bill for fertilisers charged to the pastures, on which a course of improvement is being carried out. Less hay was consumed, but at the price then ruling, £13, the cost amounted to £566 as compared with £402 in the previous year.

The general result is a very heavy expenditure; taking the ewe as a unit the total cost of the flock per ewe amounted to £16 3s. in 1919-20 as compared with £9 5s. in the preceding year. Of this £10 12s. went for food, £2 8s. for labour, £1 8s. for rams, &c., £1 15s. for management and sundries, as compared with £5 15s. for food, 26s. for labour, 17s. for rams and 27s. management and sundries in 1918-19. These figures are very large in themselves, apart from the enormous increase they show on those of the preceding year. To some extent the increase is due to a bigger number of lambs reared, 304 against 278, and particularly a bigger number of ram lambs, which cost the most, 89 against 58 in the preceding year. Labour and food were dearer. The extra 8s. per ewe for sundries represented only the increased cost of showing in 1920 as compared with 1919. Big as the food bill appears it is not a wasteful one, such as might be incurred by a shepherd who dips at will into granary and cake store; the foods are rationed out after discussion between the manager and the shepherd, and while there has been no stint there has been no waste. I am satisfied that the costs are legitimate enough for the year and do not exceed those prevailing in other pedigree flocks of the same quality.

Of course there are probably no other sheep so expensively produced; Hampshire ram lambs have to be forced from birth, indeed as much as possible before birth, because neither breeding nor quality will be of much avail if the lambs have not size at the August sales. The essence of a Hampshire is early maturity and the ram buyers make their choice on what they see before them, which is, other things like conformation and wool being equal, the weight attained in the time, whether that is due to skilful feeding and to natural capacity to put on flesh such as may be transmitted to the offspring. I am aware of few pedigree flocks that have a strict account kept against them, especially as they so often are kept as hobbies; indeed, the main purpose of setting out this account is to induce owners of pedigree flocks to realise what expenditure they are up against.

On the credit side the flock makes a better showing in 1919-20 than in the preceding year. In the first place more lambs were reared, 310 from 263 ewes, as against 278 from 279 ewes in the preceding year, and the quality was better, so that 89 could be drafted for the ram sales as compared with 58 before. Sales were better; as is well known, there was an exceptional recovery in the demand for rams and sheep of all kinds in 1920. This:

flock in 1920 let two lambs at 225 and 150 guineas respectively, and sold three others at 82, 54, and 48 guineas, the average for 73 lambs being over £24, while the 20 shearlings averaged nearly £19 each. The draft ewes and the butcher's lambs made over £6 each as compared with 73s. in the previous year. The wool, of which the ewes clipped over 8 lb. and the lambs under 3 lb., produced £452, as against £327. The valuation of the flock shows a considerable rise, nearly £700, but this was not due to any writing up of the value of the ewes, which would have been done in an ordinary valuation according to market prices, but to the fact that 47 tegs had not been sold by the 11th October (afterwards realising £306), that there were 11 more flock lambs kept over, and that the pedigree costs for rams hired and purchased had been increased by £140, and that the cost of keep from 1st May had been greater.

The final result shows a loss of £190, a sufficiently disconcerting result for what had seemed to be a good year, when the fall of lambs had been good, the early spring favourable, and the sales both in amount and quality far better than the flock had hitherto realised. Of course the loss could be converted into a profit if the hay, charged at market price—£13, were charged at cost, *i.e.*, at something under £4. Then the debit of £566 would become £176. In the oats and beans bought from the farm is also concealed a little profit. If all the home grown foods were charged at cost the account would show a nominal profit of £250 instead of a loss of £190. Argument will of course be perennial whether it is more correct to charge the live stock at cost or market price for home grown foods; it does not matter much except in times like the present when market prices are fluctuating widely. The important thing is that the farmer, using his book-keeping for his own information, should not deceive himself. The final upshot of the accounts of this flock, whether home grown food is taken in at cost or market price, comes to the same thing, *viz.*, the flock produced from 171 acres of arable land cropped with roots, vetches, &c., 40 acres of seeds as hay, 8 acres of oats and beans, and 92 acres of lattermath, a cash return of about £250 after all expenses had been paid. The flock is only valued at about £3,000 at Michaelmas, but taking the average of the net expenditure also standing against it throughout the year it ought to be paying interest on a sum of about £5,000 floating capital. The result then could be summed up as showing that the flock returns a bare 5 per cent. on its capital while the land which the flock used, some 220 acres, earned no profit at all.

Now the land under corn on the same farm that year made an average profit of £4 12s. an acre, and it is in the light of this figure that the really unprofitable nature of the flock is seen. Land which will produce a profit of £4 12s. an acre under corn will produce no profit at all but only a low rate of interest on the extra capital at stake when its produce is marketed in the form of a pedigree flock.

It may be urged that the corn could not be grown but for the sheeping the land had received. The proposition is debatable, but at any rate the flock gets ample credit for what is done in this direction, because the subsequent crops have to pay off some £3 an acre of manurial residues in addition to £2 an acre or so of cleaning costs. While there can be no doubt about the enrichment of the soil effected by the heavy cake and corn feeding accompanying its folding over by a pedigree flock it is often difficult to get a paying return for this manuring. If the fold is late in March or even February, it is often difficult to get spring corn sown on a satisfactory tilth in time to secure a good crop, one that is in any way proportional to the manure residues supposed to be in the land. On these chalk soils the spring drought may set in early, and the two dominant factors in securing a good crop are early sowing and a good tilth. Actually on this farm wheat is the profitable crop rather than spring oats and barley, because it does not suffer from the late tilth and has not to pay so much of the costs carried over from the folding. In fact the corn is most profitable on the land that is never sheeped.

Another objection may be taken to the general conclusion as to the unprofitable nature of the flock—that it is not quite big enough nor skilfully enough managed to attain the results that alone will pay for the expense involved. The prices realised for pedigree rams by a flock which is recognised as among the two or three leading flocks in the country, the sort of flock which wins first prizes at the Royal Show, are very different from the prices obtained by a flock which just misses the highest position. Such a position has not been attained by this flock, whose show record for 1920 was one third prize at the Royal Counties Show, two second and two third prizes at the Bath and West Show, and one second prize at the Hampshire Down Society's Breed Show. The truth of both objections may be admitted. A flock of 400 or 500 has a much greater chance of winning prizes than one of 260, merely because there are more to select from. The expenses increase with

numbers but the whole average of the sales may be increased by the superior prize winning capacity. Again prize-winning to a considerable extent depends upon the art with which the stock are finally prepared and presented for show, and in connection with every breed there are two or three shepherds known for their personal skill in putting their animals before the judge to the best advantage. However, let it be admitted that the flock in question may fail in this respect, the general conclusion would still emerge that ram breeding is an unprofitable business unless the flock can be brought to the very top of the tree.

In fact one cannot standardise a ram breeder's business and prepare an account which compares the average cost of production with the return for the output that may be expected in a normal market. On the receipt side of the account the personal factor counts for much; how well can the particular shepherd show his sheep, how clever a salesman is the owner in the special and limited market in which he had to make his profit. But these accounts do show what costs of production have to be faced and how unprofitable a business ram breeding is likely to be for the majority of men who engage in it. The balance sheet may serve the purpose of inducing ram breeders to consider their business in the light of results; can they so bring their flock to the front as to pay for the expenditure or is the loss worth while as a luxury?