



FARM
PRODUCTION
EXPENDITURES
FOR 1973 AND 1974

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FARM PRODUCTION EXPENDITURES FOR 1973 AND 1974

HIGHLIGHTS

Farm production expenditures totaled \$73.8 billion during 1973 and advanced to \$85.2 billion in 1974, indicating an average outlay per farm of \$26,000 in 1973 and \$30,167 a year later.

Livestock and poultry production expenditures amounted to \$25.5 billion in 1973 and \$32.5 in 1974, including purchases of livestock and poultry, and costs for services, feed, equipment, and marketing.

Costs directly associated with production of crops were \$8.1 billion in 1973 and \$10.5 billion the following year. Expenditures covered seeds, plants, fertilizer, lime, pesticides, marketing containers and marketing.

Other selected expenditures, not included in the total for livestock, poultry, and crops were:

	<u>1973</u> \$ BIL.	<u>1974</u> \$ BIL.
Hired Labor	5.1	5.2
Motor Vehicles for Farming	4.6	4.4
Farm Machinery and Implements	3.6	3.5
Petroleum Products	2.8	3.2
Machine Hire and Custom Work	1.2	1.2

SURVEY SPECIFICATION AND LIMITATION

The Statistical Reporting Service (SRS) conducted a comprehensive survey in 1972 to identify farmers' production expenditures for 1971, the first such undertaking since 1955. The initial survey has been followed by annual surveys designed to provide current production expenditure information at the national level.

The survey information provides updated production expenditure patterns to monitor and maintain current weights for calculating the Index of Prices Paid by Farmers for Commodities and Services, including Interest, Taxes, and Farm Wage Rates (Parity Index when expressed as 1910-14=100).

Survey results also assist the Economic Research Service (ERS) in producing estimates of farm expenses and farm income. However, data users should recognize that material presented in this SRS report will not be identical with related information developed and published by ERS because of differences in definitions used for estimating expenditures for livestock, rent, depreciation, and other items. For example, this report presents the total cost incurred by farmers to buy cattle, calves, hogs, sheep, and lambs from all sources for breeding or feeding. Cost estimates published by ERS for these items are limited to interstate purchases of livestock by farmers. SRS rent expenditure estimates represent all cash and shares to landlords; ERS reports gross rent as cash, shares, and Government payments to the farm owner.

The 1973 and 1974 surveys covered about 1,900 personal interviews conducted with producers living in approximately one-half the same primary sampling units---generally counties--- selected for the 1971 survey. The sample was divided into four groups, with each group responding to a separate questionnaire that asked expenditure details for specific areas of farm production. These questionnaires are rotated to each group during a four year cycle.

The expenditures were recorded for goods and services purchased in the year under consideration, even though not completely paid for in that survey year. For taxes, the respondents were requested to report the amount due in the survey year whether or not payment was made during that year. The entire cost for new construction and additions to farm service buildings was recorded in the year in which the buildings were completed. Financing charges and interest on installment purchases, delivery and installation costs, and sales and excise taxes were included in the total expenditure for those items. Net expenditures were recorded when trade-in-allowances or discounts were part of the transaction. For automobiles and trucks, the net expenditures were determined by deducting the trade-in or discount from the total price.

Several types of expenditures are applicable to both family living and farm production. Outlays for buying and operating automobiles and trucks were allocated on the basis of mileage driven for farm business, family use, or other business which included any commercial use separate from the farming operation such as trucking, professional practice, or sales. Expenditures for farm real estate taxes, mortgage interest, and legal and settlement fees in connection with purchases or sales of farm real estate were allocated to farm production. Expenses for fire, wind, and extended coverage property insurance for the operator's dwelling and contents, and motor vehicles were not considered a farm production expenditure. No allocation was made for cash or share rent paid.

Estimates of expenditures are likely to be more reliable for items bought by a large majority of farmers than for items purchases by relatively few farmers.

A more detailed description of survey methodology and sample design is shown in "Farm Production Expenditures for 1971", SpSy 5 (5-75), published in May 1975 by the Statistical Reporting Service.

FARM PRODUCTION EXPENDITURES--1973 AND 1974
UNITED STATES 1/

TYPE OF EXPENDITURE <u>2/</u>	AVERAGE		TOTAL EXPENDITURE	
	PER FARM <u>3/</u>		1973	1974
	1973	1974	1973	1974
	DOLLARS		1,000 DOLLARS	
TOTAL FARM PRODUCTION EXPENDITURES	26,000	30,167	73,820,070	85,246,944
TOTAL RENT	2,399	2,486	6,812,845	7,026,108
CASH RENT	532	583	1,509,521	1,647,753
LIVESTOCK AND POULTRY EXPENSES	4,302	5,550	12,215,389	15,684,955
LIVESTOCK AND POULTRY PURCHASED	3,995	5,214	11,341,561	14,735,468
VETERINARIAN AND RELATED EXPENSES	153	179	434,192	506,017
PESTICIDES AND DISINFECTANTS	25	26	69,592	72,197
OTHER LIVESTOCK SERVICES AND FEES	130	131	370,044	371,273
FEED EXPENSES	4,259	5,480	12,092,570	15,485,027
GRAINS	1,139	1,336	3,234,529	3,773,967
HAY AND ROUGHAGE	304	483	862,454	1,363,590
COMMERCIALLY MIXED FORMULA FEED	2,475	3,316	7,026,166	9,371,686
FEED INGREDIENTS	341	345	969,421	975,784
LIVESTOCK EQUIPMENT	240	253	680,571	714,808
DAIRY EQUIPMENT	112	122	318,372	345,958
POULTRY EQUIPMENT	48	30	136,728	86,181
OTHER LIVESTOCK EQUIPMENT	79	100	225,471	282,669
SEEDS AND PLANTS	678	744	1,923,715	2,103,312
FERTILIZER, LIME AND PESTICIDES FOR USE ON CROPS	1,849	2,572	5,249,590	7,269,099
FERTILIZER	1,359	1,938	3,858,267	5,476,300
LIME AND SOIL CONDITIONERS	60	98	170,480	275,605
PESTICIDES AND CHEMICALS	430	537	1,220,843	1,517,194
CONTAINER EXPENSES	66	86	187,588	243,992
MARKETING EXPENSES	464	514	1,318,125	1,452,145
FIELD AND OTHER CROPS <u>4/</u>	270	297	766,136	838,762
LIVESTOCK AND LIVESTOCK PRODUCTS	194	217	551,989	613,383
MOTOR VEHICLES PURCHASED NET	2,194	2,145	6,230,252	6,062,491
AUTOS PURCHASED	578	469	1,640,033	1,325,309
TRUCKS PURCHASED	620	670	1,759,733	1,892,138
TRACTORS PURCHASED	934	938	2,650,475	2,649,838
OTHER MOTOR VEHICLES PURCHASED	63	69	180,011	195,206
MOTOR VEHICLES PURCH. NET (FARM SHARE)	1,606	1,565	4,560,684	4,422,565
AUTOS PURCHASED	144	108	410,008	304,821
TRUCKS PURCHASED	514	502	1,460,578	1,419,104
TRACTORS PURCHASED	934	938	2,650,475	2,649,838
OTHER MOTOR VEHICLES PURCHASED	14	17	39,623	48,802
LEASING OR RENTAL OF EQUIPMENT (FARM SHARE)	22	23	62,813	63,875

SEE FOOTNOTES AT END OF TABLE

FARM PRODUCTION EXPENDITURES--1973 AND 1974
UNITED STATES 1/

TYPE OF EXPENDITURE 2/	AVERAGE		TOTAL EXPENDITURE	
	PER FARM 3/		1973	1974
	1973	1974		
	DOLLARS		1,000 DOLLARS	
INSURANCE REGISTRATION AND LICENSE	286	301	811,913	849,548
INSURANCE REG. AND LIC. (FARM SHARE)	157	150	446,552	424,774
PETROLEUM PRODUCTS 5/	1,280	1,574	3,635,253	4,447,702
GASOLINE	853	1,014	2,422,831	2,866,386
DIESEL FUEL	217	299	615,816	845,031
KEROSENE, LP & NATURAL GAS & OTHER	120	154	341,358	436,446
OIL AND GREASE	90	106	255,248	299,839
PETROLEUM PRODUCTS (FARM SHARE) 5/	994	1,148	2,823,159	3,243,358
GASOLINE	580	609	1,647,525	1,719,832
DIESEL FUEL	215	296	609,658	836,581
KEROSENE, LP & NATURAL GAS & OTHER	120	153	341,358	432,082
OIL AND GREASE	79	90	224,618	254,863
OTHER OPERATING EXPENSES	1,096	1,183	3,112,691	3,343,626
MOTOR SUPPLIES	293	294	831,562	831,047
REPAIR AND MAINTENANCE SERVICES	454	460	1,289,989	1,300,759
ACCESSORIES	41	46	115,187	129,883
REPAIR AND REPLACEMENT PARTS 6/	309	383	875,953	1,081,937
OTHER OPERATING EXPENSES (FARM SHARE)	986	1,006	2,799,548	2,842,082
MOTOR SUPPLIES	252	250	715,143	706,390
REPAIR AND MAINTENANCE SERVICES	391	391	1,109,391	1,105,645
ACCESSORIES	35	39	99,061	110,401
REPAIR AND REPLACEMENT PARTS 6/	309	325	875,953	919,646
FARM MACHINERY AND IMPLEMENTS	1,257	1,221	3,569,430	3,450,718
TILLAGE	223	255	633,236	721,460
PLANTING, FERT., SPRAYING & DUSTING	107	122	304,999	343,458
HARVESTING AND HAYING	699	607	1,985,406	1,714,172
OTHER FARM MACHINERY	227	238	645,789	671,628
MACHINE HIRE AND CUSTOM WORK	429	433	1,218,602	1,223,603
TOOLS, MISC. EQUIPMENT AND SUPPLIES	223	236	634,223	667,013
POWER FARM SHOP EQUIPMENT	50	55	142,956	154,856
HAND TOOLS	44	43	126,230	120,183
MISCELLANEOUS EQUIPMENT & SUPPLIES	129	139	365,037	391,974
FENCING EXPENSES EXCLUDING TOOLS	171	165	484,602	466,401
CONSTRUCTION AND REMODELING FARM BLDG.	482	658	1,367,819	1,860,071
MAINTENANCE OF FARM BUILDING	85	116	240,259	326,902

SEE FOOTNOTES AT END OF TABLE

FARM PRODUCTION EXPENDITURES--1973 AND 1974
UNITED STATES 1/

TYPE OF EXPENDITURE <u>2/</u>	AVERAGE		TOTAL EXPENDITURE	
	PER FARM <u>3/</u>			
	1973	1974	1973	1974
	DOLLARS		1,000 DOLLARS	
IRRIGATION EXPENSES & OTHER IMPROVE.	453	590	1,287,517	1,666,886
IRRIGATION FACILITIES AND FEES	241	338	682,878	955,129
OTHER LAND IMPROVEMENTS	213	252	604,639	711,757
WAGES, SERVICES, AND SUPPLIES PAID				
HIRED LABOR	1,800	1,824	5,109,731	5,154,997
EXPENSES FOR INSUR., TAXES & INTEREST	2,573	2,797	7,306,856	7,902,491
INSURANCE	340	421	964,206	1,188,473
PROPERTY TAXES	947	954	2,687,668	2,695,322
INTEREST	1,287	1,422	3,654,982	4,018,696
EXPENSES FOR INSURANCE, TAXES AND				
INTEREST (FARM SHARE)	2,498	2,720	7,091,608	7,686,928
INSURANCE	277	351	785,602	991,217
PROPERTY TAXES	934	947	2,651,024	2,677,015
INTEREST	1,287	1,422	3,654,982	4,018,696
MISCELLANEOUS FARM BUSINESS EXPENSE	579	625	1,643,130	1,767,325
ACCOUNTING FEES AND DUES	142	153	402,121	431,805
UTILITIES	342	368	970,319	1,040,868
FARM MANAGEMENT	54	70	152,601	197,080
FARM LOSSES AND DAMAGES	11	7	32,026	19,872
OTHER FARM BUSINESS EXPENSE	30	27	86,063	77,700

1/ EXCLUDES ALASKA & HAWAII.

2/ INCLUDES LANDLORD EXPENDITURES.

3/ TOTAL EXPENDITURE DIVIDED BY THE SRS ESTIMATES OF NUMBER OF FARMS.

4/ INCLUDES FRUIT, VEGETABLES, POTATOES, AND OTHER CROPS.

5/ EXPENDITURES BEFORE TAX REBATE.

6/ FOR FARM MACHINERY ONLY.