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# Farm Production Expenditures, 1987



United States  
Department of  
Agriculture

Agricultural  
Statistics  
Board

Washington, D.C.

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## PRELIMINARY SUMMARY

### FARM EXPENDITURE UP 3.9 PERCENT

Farm production expenditures totaled \$110.1 billion in 1987, up 3.9 percent from \$106.0 billion in 1986. Expenditures were higher for all major categories except feed which decreased 0.5 percent, interest which dropped 15 percent, and fuels & lubricants which decreased 7.3 percent. Farm services including rent, the largest 1987 expenditures by farmers at \$24.0 billion, accounted for 22 percent of the Nation's production expenses. This level was 2.9 percent above 1986. Feed expenses totaled \$14.9 billion and accounted for 13 percent of the U.S. total. Average expenditures per farm were \$50,791, an increase of \$2,815 from 1986.

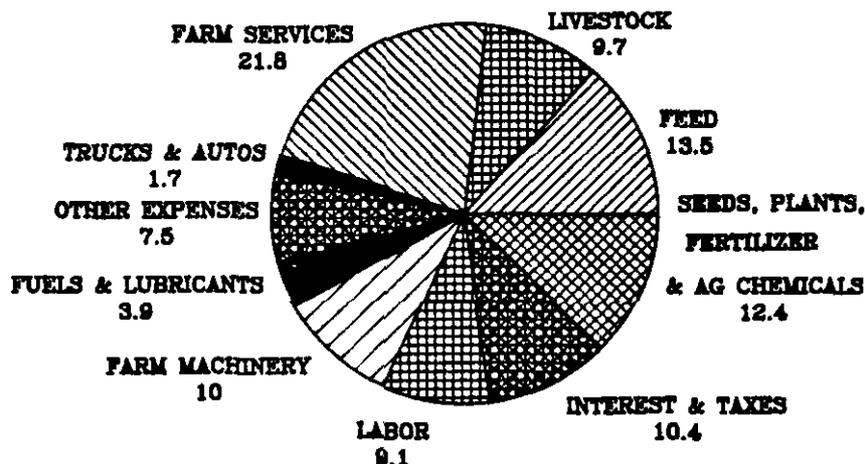
Large farm (sales over \$100,000) expenditures averaged \$258,711 and accounted for over 67 percent of the U.S. total. Purchases of farm services, feed, labor, and livestock & poultry were major expenses (nearly 60 percent of the total) for operations with sales over \$100,000. The large farms accounted for more than one-half of the U.S. expenses for farm services, feed, labor, livestock & poultry, farm machinery, interest, and fertilizer.

Medium sized farms (sales of \$40,000-\$100,000) expenses averaged \$70,943 for 1987 and contributed 17 percent of the U.S. total. Leading expenditures for medium sized farms were farm services, feed, and farm machinery.

Small farm (sales less than \$40,000) expenditures averaged \$15,887 and accounted for 16 percent of the Nations production expenses. The three leading expenditure categories for small farms were farm services, farm machinery, and feed.

# 1987 EXPENDITURES

(PERCENT OF TOTAL FARM OUTLAY)



## 1987 EXPENDITURES BY ECONOMIC CLASS AND REGION

REGION 1/	GROSS VALUE OF SALES		
	UNDER \$40,000	\$40,000 TO \$99,999	\$100,000 +
MILLION DOLLARS			
NORTHEAST	1,914	1,618	4,530
LAKE STATES	1,930	2,715	7,735
CORN BELT	3,432	4,765	17,527
NORTHERN PLAINS	1,360	2,907	9,719
APPALACHIAN	2,195	1,277	4,142
SOUTHEAST	1,165	851	5,584
DELTA STATES	1,120	960	3,196
SOUTHERN PLAINS	2,299	1,293	4,794
MOUNTAIN	1,131	884	6,294
PACIFIC	1,395	803	10,594
UNITED STATES	17,946	18,076	74,118

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, UNITED STATES 2/ 1986 AND 1987

EXPENDITURE - FARM SHARE	UNITED STATES					
	FARMS REPORTING 3/		AVERAGE PER FARM 4/		TOTAL EXPENDITURES 21/	
	1986	1987	1986	1987	1986	1987
	PERCENT		DOLLARS		MILLION DOLLARS	
TOTAL EXPENDITURES 5/	100.0	100.0	47,976	50,791	105,995	110,142
LIVESTOCK & POULTRY:	42.2	41.8	4,549	4,929	10,051	10,688
CATTLE PURCHASED	30.7	28.6	3,471	3,817	7,668	8,278
HOGS & PIGS PURCHASED	10.5	9.7	464	405	1,025	879
POULTRY PURCHASED	4.4	5.9	433	415	958	900
OTHER LIVESTOCK & POULTRY EXPENSES 6/	5.5	7.3	121	212	267	460
FEED:	72.5	72.8	6,766	6,857	14,948	14,869
GRAINS	34.0	23.0	1,768	1,181	3,907	2,560
HAYS & FORAGES	26.9	24.8	753	669	1,665	1,451
COMPLETE RATION/FORMULA FEED:	22.8	28.2	2,227	2,804	4,920	6,081
PROTEIN MEAL OR CONC.	25.1	26.5	1,144	1,217	2,527	2,640
SUPPLEMENTS	20.9	19.2	573	558	1,265	1,211
MINERALS, SALTS & ADDITIVES	52.6	50.1	301	427	665	927
FARM SERVICES: 7/ 8/	99.7	99.1	10,546	11,061	23,300	23,987
CROP CUSTOM SERVICES	39.9	38.4	621	697	1,372	1,511
LIVESTOCK CUSTOM SERVICES	14.4	12.5	244	186	538	404
TRANSPORTATION	36.3	34.4	507	528	1,120	1,146
VET SUPPLIES, SVCS, ETC.	65.0	58.8	791	553	1,748	1,199
RENT	46.7	41.8	4,326	4,685	9,557	10,160
MARKETING & STORAGE	54.4	55.7	832	922	1,838	1,999
INSURANCE 5/	82.4	86.2	1,079	1,104	2,383	2,394
LEASING 9/	7.6	6.3	190	198	419	429
MISC. FARM BUSINESS 10/	95.7	92.4	845	834	1,868	1,809
UTILITIES	88.5	85.0	1,111	1,354	2,455	2,936
ELECTRICITY	85.7	87.1	905	1,137	2,000	2,465
AG CHEMICALS & SPRAYS: 11/	56.7	69.3	1,604	1,731	3,544	3,754
FERTILIZER: 12/	75.9	72.1	3,109	2,951	6,868	6,399
COMMERCIAL FERTILIZERS	74.8	70.3	2,963	2,787	6,547	6,044
INTEREST: 5/	60.5	53.6	4,603	4,005	10,170	8,685
FARM REAL ESTATE	43.9	41.2	2,955	2,697	6,529	5,849
OPERATING LOANS	38.8	29.9	1,648	1,308	3,641	2,836
TAXES: (REAL ESTATE & PROPERTY) 5/	90.3	90.0	1,179	1,259	2,605	2,730
LABOR:	53.7	45.3	4,487	4,613	9,913	10,003
CASH WAGES	50.0	39.7	3,644	3,637	8,051	7,886
FUELS & LUBRICANTS:	96.2	92.7	2,124	2,006	4,692	4,351
DIESEL	67.7	64.5	923	985	2,039	2,135
GASOLINE - BULK	47.2	44.6	481	442	1,063	959
GASOLINE - SERVICE STATION	53.2	46.8	201	189	444	410
FARM SUPPLIES:	80.8	73.3	697	874	1,539	1,895
SUPPLIES USED IN PROD. 13/	79.7	72.1	383	561	846	1,216
CONTAINERS USED FOR MKTG	5.2	5.2	314	313	693	679
BUILDING & FENCING:	53.5	54.9	1,083	1,145	2,393	2,482
NEW CONSTRUCTION & REMODELING	20.0	22.9	736	775	1,626	1,680
FARM & LAND IMPROVEMENTS:	21.4	20.5	383	353	847	766
NEW CONSTRUCTION	10.3	10.2	233	238	514	516
FARM MACHINERY: 14/ 15/ 16/ 17/	90.6	86.7	4,278	5,072	9,452	10,998
SEEDS & PLANTS: 18/ 19/	71.0	66.8	1,589	1,632	3,511	3,540
TRUCKS & AUTOS: 20/	19.2	19.3	776	852	1,714	1,848
TRUCKS INCL BEDS, HYDRAULIC SYSTEMS, ETC.	16.4	15.1	663	726	1,464	1,574

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, BY REGION 1/ 1987

EXPENDITURE - FARM SHARE	TOTAL EXPENDITURES BY REGION, 1987				
	NORTHEAST	LAKE STATES	CORN BELT	NORTHERN PLAINS	APPALACHIAN
	MILLION DOLLARS				
TOTAL FARM PRODUCTION EXPENDITURES 5/	8,063	12,381	25,725	13,987	7,616
LIVESTOCK & POULTRY:	557	870	2,137	2,587	861
CATTLE PURCHASED	290	605	1,528	2,321	472
HOGS & PIGS PURCHASED	15	111	455	152	83
POULTRY PURCHASED	193	122	80	12	159
OTHER LIVESTOCK & POULTRY EXPENSES 6/	53	28	39	87	146
FEED:	1,973	1,621	2,602	1,447	1,159
GRAINS	212	207	481	625	67
HAYS & FORAGES	79	90	60	114	50
COMPLETE RATIONS OR FORMULA FEEDS	1,316	310	503	167	890
PROTEIN MEALS OR CONCENTRATES	196	727	711	330	65
SUPPLEMENTS	125	129	517	128	51
MINERALS, SALTS & ADDITIVES	45	159	330	82	36
FARM SERVICES: 7/ 8/	1,248	2,424	6,489	2,998	1,487
CROP CUSTOM SERVICES	50	121	258	221	71
LIVESTOCK CUSTOM SERVICES	17	19	43	145	7
TRANSPORTATION	181	153	143	64	83
VET SUPPLIES, SVCS, TESTING & BREEDING	142	245	215	136	81
RENT	175	790	4,183	1,554	565
MARKETING & STORAGE	126	228	276	95	176
INSURANCE 5/	166	302	510	271	188
LEASING 9/	28	54	98	60	15
MISC. FARM BUSINESS EXPENSES 10/	113	143	259	161	89
UTILITIES	250	367	502	289	210
ELECTRICITY	219	315	412	218	177
AG CHEMICALS & SPRAYS: 11/	162	423	1,080	343	254
FERTILIZER: 12/	336	667	2,077	635	540
COMMERCIAL FERTILIZER	288	629	1,960	630	479
INTEREST: 5/	463	1,206	2,062	1,169	472
FARM REAL ESTATE	346	814	1,456	667	368
OPERATING LOANS	117	392	605	501	104
TAXES: (PROPERTY & REAL ESTATE) 5/	275	495	644	315	144
LABOR:	854	926	1,179	541	740
CASH WAGES	673	791	989	456	633
FUELS & LUBRICANTS:	260	465	982	646	340
DIESEL	111	215	479	337	150
GASOLINE - BULK	66	132	245	169	50
GASOLINE - SERVICE STATION	28	24	56	37	49
FARM SUPPLIES:	194	232	242	140	129
SUPPLIES USED IN PRODUCTION 13/	125	190	211	137	89
CONTAINERS USED FOR MARKETING	69	42	31	3	40
BUILDING & FENCING:	450	368	431	198	240
NEW CONSTRUCTION & REMODELING	360	259	255	128	167
FARM & LAND IMPROVEMENTS:	50	97	147	76	37
NEW CONSTRUCTION	35	74	103	44	27
FARM MACHINERY: 14/ 15/ 16/ 17/	873	1,497	2,643	1,535	706
SEEDS: 18/ 19/	201	522	1,070	408	216
TRUCKS & AUTOS: 20/	136	208	360	270	187
TRUCKS INCL BEDS, HYDRAULIC SYSTEMS, ETC.	114	160	306	212	168

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, BY REGION 1/ 1987 CONTINUED

EXPENDITURE - FARM SHARE	TOTAL EXPENDITURES BY REGION, 1987				
	SOUTHEAST	DELTA STATES	SOUTHERN PLAINS	MOUNTAIN	PACIFIC
	MILLION DOLLARS				
TOTAL FARM PRODUCTION EXPENDITURES 5/	7,601	5,278	8,388	8,311	12,793
LIVESTOCK & POULTRY:	385	436	1,544	834	478
CATTLE PURCHASED	226	271	1,446	755	365
HOGS & PIGS PURCHASED	30	12	5	13	2
POULTRY PURCHASED	114	145	62	4	8
OTHER LIVESTOCK & POULTRY EXPENSES 6/	15	8	21	23	42
FEED:	1,692	965	1,067	839	1,503
GRAINS	115	143	120	254	222
HAYS & FORAGES	70	27	127	236	591
COMPLETE RATIONS OR FORMULA FEEDS	1,359	630	534	179	501
PROTEIN MEALS OR CONCENTRATES	52	81	179	92	114
SUPPLEMENTS	53	41	47	38	18
MINERALS, SALTS & ADDITIVES	44	42	61	41	57
FARM SERVICES: 7/ 8/	1,394	1,166	1,836	1,944	3,003
CROP CUSTOM SERVICES	68	79	173	181	285
LIVESTOCK CUSTOM SERVICES	10	6	48	64	46
TRANSPORTATION	121	75	83	87	156
VET SUPPLIES, SVCS, TESTING & BREEDING	87	42	82	80	90
RENT	324	488	618	597	867
MARKETING & STORAGE	322	115	259	143	257
INSURANCE 5/	171	116	190	200	280
LEASING 9/	12	34	18	35	74
MISC. FARM BUSINESS EXPENSES 10/	121	73	116	244	489
UTILITIES	158	138	251	313	458
ELECTRICITY	132	117	198	267	415
AG CHEMICALS & SPRAYS: 11/	331	286	161	230	482
FERTILIZER: 12/	463	305	394	396	587
COMMERCIAL FERTILIZER	422	286	391	385	573
INTEREST: 5/	447	353	665	868	981
FARM REAL ESTATE	346	201	393	586	670
OPERATING LOANS	100	152	272	281	310
TAXES: (PROPERTY & REAL ESTATE) 5/	141	57	159	208	291
LABOR:	1,066	413	618	992	2,673
CASH WAGES	850	358	439	758	1,941
FUELS & LUBRICANTS:	269	242	397	389	361
DIESEL	131	160	186	189	168
GASOLINE - BULK	23	22	50	119	86
GASOLINE - SERVICE STATION	37	26	88	33	34
FARM SUPPLIES:	178	57	96	147	481
SUPPLIES USED IN PRODUCTION 13/	80	35	79	112	158
CONTAINERS USED FOR MARKETING	98	22	17	34	323
BUILDING & FENCING:	168	113	164	132	218
NEW CONSTRUCTION & REMODELING	108	81	102	95	126
FARM & LAND IMPROVEMENTS:	33	35	59	111	121
NEW CONSTRUCTION	18	27	36	73	76
FARM MACHINERY: 14/ 15/ 16/ 17/	590	593	802	790	969
SEEDS: 18/ 19/	268	150	172	212	320
TRUCKS & AUTOS: 20/	128	92	209	137	120
TRUCKS INCL BEDS, HYDRAULIC SYSTEMS, ETC.	124	79	186	117	108

SEE FOOTNOTES ON PAGE 6.

## FOOTNOTES

- 1/ NORTHEAST: CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT; LAKE STATES: MI, MN, WI; CORN BELT: IL, IN, IA, MO, OH; NORTHERN PLAINS: KS, NE, ND, SD; APPALACHIAN: KY, NC, TN, VA, WV; SOUTHEAST: AL, FL, GA, SC; DELTA: AR, LA, MS; SOUTHERN PLAINS: OK, TX; MOUNTAIN: AZ, CO, ID, MT, NV, NM, UT, WY; PACIFIC: CA, OR, WA.
- 2/ EXCLUDES ALASKA & HAWAII.
- 3/ SURVEY EXPANDED NUMBER OF FARMS REPORTING ITEM DIVIDED BY SURVEY EXPANDED NUMBER OF FARMS.
- 4/ TOTAL EXPENDITURES DIVIDED BY OFFICIAL NUMBER OF FARMS PUBLISHED BY NASS.
- 5/ INCLUDES LANDLORD EXPENDITURES.
- 6/ EXCLUDES VETERINARY SUPPLIES; BEDDING, LITTER, STRAW & ETC.; PURCHASE OF CAPITAL EQUIPMENT FOR LIVESTOCK & POULTRY; REPAIR & MAINTENANCE OF LIVESTOCK & POULTRY EQUIPMENT; OTHER NON-CAPITALIZED EQUIPMENT FOR LIVESTOCK & POULTRY; AND CUSTOM FEEDING OF LIVESTOCK ON A PER HEAD OR GAIN BASIS AND GRAZING FEES FOR LIVESTOCK. INCLUDES PURCHASES AND LEASING EXPENSES FOR ALL OTHER LIVESTOCK AND LIVESTOCK PRODUCTS (EGGS, WOOL, MILK & LEASING OF LIVESTOCK).
- 7/ INCLUDES CUSTOM FEEDING OF LIVESTOCK ON A PER HEAD OR GAIN BASIS AND GRAZING FEES FOR LIVESTOCK.
- 8/ INCLUDES VETERINARY SUPPLIES.
- 9/ INCLUDES: TRACTORS, OTHER FARM MACHINERY, SELF-PROPELLED MACHINERY, FERTILIZER & IRRIGATION EQUIPMENT, TRUCKS, AUTOS & OTHER MOTOR VEHICLES (LEASED OR RENTED), FARM SERVICE AND STORAGE STRUCTURES.
- 10/ EXCLUDES TELEPHONE AND WATER, BUT INCLUDES IRRIGATION WATER COST.
- 11/ EXCLUDES SEED TREATMENT.
- 12/ INCLUDES MATERIALS AND APPLICATIONS.
- 13/ INCLUDES BEDDING, LITTER, STRAW & ETC.; OTHER NON-CAPITALIZED EQUIPMENT FOR LIVESTOCK & POULTRY. EXCLUDES POWER FARM SHOP EQUIPMENT AND MOTOR SUPPLIES.
- 14/ INCLUDES REPAIR & MAINTENANCE OF LIVESTOCK & POULTRY EQUIPMENT AND MOTOR SUPPLIES.
- 15/ INCLUDES OTHER MOTOR VEHICLES PURCHASED.
- 16/ INCLUDES PURCHASE OF CAPITAL EQUIPMENT FOR LIVESTOCK & POULTRY.
- 17/ INCLUDES POWER FARM SHOP EQUIPMENT.
- 18/ EXCLUDES BEDDING PLANTS, NURSERY STOCKS AND SEED PURCHASED FOR RESALE.
- 19/ INCLUDES SEED TREATMENT.
- 20/ EXCLUDES OTHER MOTOR VEHICLES PURCHASED.
- 21/ SOME DETAILED REGIONAL BREAKDOWNS WILL NOT ADD TO THE U.S. TOTAL BECAUSE OF ALLOCATION PROCEDURES USED TO DISTRIBUTE MAJOR EXPENDITURE COMPONENTS.

EXPENDITURE DATA IN 1987 WILL NOT BE DIRECTLY COMPARABLE WITH PREVIOUS DATA BECAUSE OF A CHANGE IN THE TARGET POPULATION. THE 1987 FCRS TARGET POPULATION IS DEFINED AS "ANY ESTABLISHMENTS FROM WHICH \$1,000 OR MORE OF AGRICULTURAL PRODUCTS WERE SOLD OR WOULD NORMALLY BE SOLD DURING THE YEAR". THIS DEFINITION IS DIFFERENT FROM PREVIOUS SURVEY YEARS WHERE THE POPULATION WAS "ANY ESTABLISHMENTS THAT PRODUCED OR SOLD AT LEAST \$1,000 WORTH OF AGRICULTURAL PRODUCTS OR SPENT AT LEAST \$1,000 FOR PRODUCING AGRICULTURAL PRODUCTS". THE CHANGE IN POPULATION DEFINITION ENSURES COMPARABILITY WITH OTHER NASS SURVEY DATA USED TO ESTIMATE FARM NUMBERS.

EXPENDITURE DATA IN THIS REPORT WILL DIFFER FROM PRODUCTION EXPENSE ESTIMATES IN THE FARM INCOME TABLES PUBLISHED IN THE "ECONOMIC INDICATORS OF THE FARM SECTOR" ISSUED BY THE ECONOMIC RESEARCH SERVICE OF THE USDA. THE FARM INCOME ESTIMATES TREAT AGRICULTURE AS A SECTOR WITHIN THE U.S. ECONOMY. NOT ALL TRANSACTIONS BETWEEN FARMERS ARE MEASURED IN THE INCOME ACCOUNTS SINCE MANY CANCEL WITHIN THE FARM SECTOR. IN ADDITION, THERE ARE SOME OTHER CONCEPTUAL AND DEFINITIONAL DIFFERENCES. OVERALL, THE TOTAL FARM PRODUCTION EXPENDITURES WILL GENERALLY EXCEED THE ESTIMATED EXPENSES SHOWN IN THE FARM INCOME ACCOUNTS.

THE FARM PRODUCTION EXPENDITURE DATA ARE THE RESULTS OF SAMPLE SURVEYS OF OVER 24,000 FARMERS AND RANCHERS ANNUALLY. INDIVIDUALS SURVEYED WERE CHOSEN FROM A LIST OF FARM OPERATORS SUPPLEMENTED WITH PRODUCERS LIVING INSIDE RANDOMLY SELECTED GEOGRAPHICAL AREAS TO ENSURE REPRESENTATION OF ALL FARMS WITH POTENTIAL AGRICULTURAL SALES OF AT LEAST \$1,000 IN VALUE.

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* The next issue of this report will be published June 1989 *
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