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# FARM PRODUCTION EXPENDITURES FOR 1972 AND 1973

PURCHASES BY  
TYPE OF FIRM IN 1972

SpSy 5(8-75)

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# FARM PRODUCTION EXPENDITURES FOR 1972 AND 1973

## HIGHLIGHTS

Farm production expenditures totaled \$53.7 billion during 1972 and advanced to \$73.8 billion in 1973, indicating an average outlay per farm of \$18,754 in 1972 and \$26,000 a year later.

Livestock and poultry production expenditures amounted to \$17.6 billion in 1972 and \$25.5 in 1973, including purchases of livestock and poultry, services, feed, equipment and marketing costs.

Costs to produce crops were \$5.9 billion in 1972 and \$8.1 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>1972</u> \$ BIL.	<u>1973</u> \$ BIL.
Hired Labor	4.7	5.1
Autos, Trucks, Tractors for Farming	2.5	4.6
Farm Machinery	2.2	3.6
Petroleum Products	2.1	2.8
Custom Work and Machine Hired	.9	1.2

SOURCES OF SELECTED FARM PRODUCTION ITEMS BY TYPE OF FIRM, 1972

SOURCES	: PERCENT :	SOURCES	: PERCENT :
	: 1/ :		: 1/ :
	: PUR- :		: PUR- :
	: CHASING :		: CHASING :
<u>FEED</u>	:	<u>LIVESTOCK, DAIRY, &amp; POULTRY</u>	:
COOPERATIVE	: 29.1 :	<u>EQUIPMENT AND SUPPLIES</u>	:
RETAILER	: 50.3 :	COOPERATIVE	: 25.9 :
WHOLESALE	: 9.3 :	FARM SUPPLY STORE	: 42.4 :
OTHER	: 11.3 :	LUMBER & HARDWARE DEALER	: 9.8 :
	: 100.0 :	FEED OR GRAIN DEALER	: 9.5 :
	:	OTHER	: 12.4 :
	:		: 100.0 :
	:		:
<u>FERTILIZER</u>	:		:
COOPERATIVE	: 36.7 :	<u>PETROLEUM PRODUCTS</u>	:
RETAILER	: 50.6 :	COOPERATIVE	: 16.7 :
WHOLESALE	: 10.3 :	INDEPENDENT DEALER	: 66.7 :
OTHER	: 2.4 :	CHAIN DISTRIBUTOR	: 15.6 :
	: 100.0 :	OTHER	: 1.0 :
	:		: 100.0 :
	:		:
<u>PESTICIDES</u>	:		:
COOPERATIVE	: 34.6 :	<u>FENCING MATERIALS</u>	:
RETAIL FARM SUPPLY STORE	: 31.2 :	COOPERATIVE	: 32.5 :
RETAIL SEED OR GRAIN DEALER	: 7.2 :	RETAIL FARM SUPPLY STORE	: 42.1 :
RETAIL FERTILIZER DEALER	: 14.3 :	RETAIL LUMBER DEALER	: 17.3 :
OTHER	: 12.7 :	OTHER	: 8.1 :
	: 100.0 :		: 100.0 :
	:		:
	:		:
<u>BUILDING MATERIALS</u>	:		:
COOPERATIVE	: 11.0 :		:
INDEPENDENT LUMBER DEALER	: 71.3 :		:
CHAIN OR DISCOUNT LUMBER STORE	: 11.1 :		:
OTHER	: 6.6 :		:
	: 100.0 :		:
	:		:

1/ STRAIGHT AVERAGE OF REPORTED PERCENTAGES.

## 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. This initial effort is being 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 their 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 1972 and 1973 surveys provided about 2,000 usable questionnaires from 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 purchased 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--1972 AND 1973  
UNITED STATES 1/

TYPE OF EXPENDITURE <u>2/</u>	AVERAGE		TOTAL EXPENDITURE	
	PER FARM		1972	1973
	1972	1973		
	DOLLARS		1,000 DOLLARS	
TOTAL FARM PRODUCTION EXPENDITURES	18,754	26,000	53,735,627	73,820,070
TOTAL RENT	1,512	2,399	4,332,784	6,812,845
CASH RENT	411	532	1,176,516	1,509,521
LIVESTOCK AND POULTRY EXPENSES	3,046	4,302	8,726,316	12,215,389
LIVESTOCK AND POULTRY PURCHASED	2,827	3,995	8,099,732	11,341,561
VETERINARIAN AND RELATED EXPENSES	112	153	321,245	434,192
PESTICIDES AND DISINFECTANTS	18	25	50,498	69,592
OTHER LIVESTOCK SERVICES AND FEES	89	130	254,841	370,044
FEED EXPENSES	2,729	4,259	7,820,815	12,092,570
GRAINS	508	1,139	1,455,119	3,234,529
HAY AND ROUGHAGE	266	304	762,617	862,454
COMMERCIAL MIXED FORMULA FEED	1,762	2,475	5,047,568	7,026,166
FEED INGREDIENTS	194	341	555,511	969,421
LIVESTOCK EQUIPMENT	187	240	534,721	680,571
DAIRY EQUIPMENT	88	112	253,401	318,372
POULTRY EQUIPMENT	41	48	118,350	136,728
OTHER LIVESTOCK EQUIPMENT	57	79	162,970	225,471
SEEDS AND PLANTS	400	678	1,146,148	1,923,715
FERILTZER, LIME AND PESTICIDES FOR USE ON CROPS	1,364	1,849	3,908,002	5,249,590
FERTILIZER	997	1,359	2,857,294	3,858,267
LIME AND SOIL CONDITIONERS	<u>3/</u>	60	<u>3/</u>	170,480
PESTICIDES AND CHEMICALS	367	430	1,050,708	1,220,843
CONTAINER EXPENSES	58	66	165,618	187,588
MARKETING EXPENSES	423	464	1,212,480	1,318,125
FIELD AND OTHER CROPS <u>4/</u>	252	270	721,436	766,136
LIVESTOCK AND LIVESTOCK PRODUCTS	171	194	491,044	551,989
MOTOR VEHICLES PURCHASED NET	1,393	2,194	3,991,977	6,230,252
AUTOS PURCHASED	526	578	1,505,921	1,640,033
TRUCKS PURCHASED	386	620	1,105,613	1,759,733
TRACTORS PURCHASED	434	934	1,242,732	2,650,475
OTHER MOTOR VEHICLES PURCHASED	48	63	137,711	180,011
MOTOR VEHICLES PURCH. NET (FARM SHARE)	890	1,606	2,548,891	4,560,684
AUTOS PURCHASED	142	144	406,599	410,008
TRUCKS PURCHASED	301	514	862,378	1,460,578
TRACTORS PURCHASED	434	934	1,242,732	2,650,475
OTHER MOTOR VEHICLES PURCHASED	13	14	37,182	39,623
LEASING OR RENTAL (FARM SHARE)	12	22	35,114	62,813

SEE FOOTNOTES AT END OF TABLE.

FARM PRODUCTION EXPENDITURES--1972 AND 1973  
UNITED STATES 1/

TYPE OF EXPENDITURE <u>2/</u>	AVERAGE		TOTAL EXPENDITURE	
	PER FARM		1972	1973
	1972	1973		
	DOLLARS		1,000 DOLLARS	
INSURANCE REGISTRATION AND LICENSE	242	286	692,347	811,913
INSURANCE REG. AND LIC. (FARM SHARE)	145	157	415,408	446,552
PETROLEUM PRODUCTS	1,012	1,280	2,898,965	3,635,253
GASOLINE	638	853	1,971,513	2,422,831
DIESEL FUEL	138	217	396,187	615,816
KEROSENE, LP & NATURAL GAS & OTHER	112	120	322,184	341,358
OIL AND GREASE	73	90	209,081	255,248
PETROLEUM PRODUCTS (FARM SHARE) <u>5/</u>	741	994	2,123,511	2,823,159
GASOLINE	427	580	1,222,338	1,647,525
DIESEL FUEL	138	215	394,998	608,658
KEROSENE, LP & NATURAL GAS & OTHER	112	120	322,184	341,358
OIL AND GREASE	64	79	183,991	224,618
OTHER OPERATING EXPENSES	838	1,096	2,402,321	3,112,691
MOTOR SUPPLIES	237	293	677,952	831,562
REPAIR AND MAINTENANCE SERVICES	349	454	999,355	1,289,989
ACCESSORIES	6/	41	6/	115,187
REPAIR AND REPLACEMENTS PARTS	253	<u>7/309</u>	725,014	<u>7/875,953</u>
OTHER OPERATING EXPENSES (FARM SHARE)	704	986	2,017,950	2,799,548
MOTOR SUPPLIES	199	252	569,480	715,143
REPAIR AND MAINTENANCE SERVICES	293	391	839,458	1,109,391
ACCESSORIES	6/	35	6/	99,061
REPAIR AND REPLACEMENT PARTS	213	<u>7/309</u>	609,012	<u>7/875,953</u>
FARM MACHINERY AND IMPLEMENTS	764	1,257	2,190,297	3,569,430
TILLAGE	122	223	348,389	633,236
PLANTING, FERT., SPRAYING & DUSTING	67	107	191,173	304,999
HARVESTING AND HAYING	437	699	1,251,742	1,985,406
OTHER FARM MACHINERY	139	227	398,993	645,789
MACHINE HIRE AND CUSTOM WORK	319	429	915,389	1,218,602
TOOLS, MISC. EQUIPMENT AND SUPPLIES	170	223	485,989	634,223
POWER FARM SHOP EQUIPMENT	44	50	124,803	142,956
HAND TOOLS	39	44	111,611	126,230
MISCELLANEOUS EQUIPMENT & SUPPLIES	87	129	249,575	365,037
FENCING EXPENSES EXCLUDING TOOLS	116	171	331,448	484,602
CONSTRUCTION AND REMODELING FARM BLDG	459	482	1,315,306	1,367,819
MAINTENANCE OF FARM BUILDING	76	85	217,478	240,259

SEE FOOTNOTES AT END OF TABLE.

FARM PRODUCTION EXPENDITURES--1972 AND 1973  
 UNITED STATES 1/

TYPE OF EXPENDITURE <u>2/</u>	AVERAGE		TOTAL EXPENDITURE	
	PER FARM		1972	1973
	1972	1973		
	DOLLARS		1,000 DOLLARS	
IRRIGATION EXPENSES & OTHER IMPROVE.	363	453	1,039,083	1,287,517
IRRIGATION FACILITIES AND FEES	205	241	586,629	682,878
OTHER LAND IMPROVEMENTS	158	213	452,454	604,639
WAGES SERVICES AND SUPPLIES PAID				
HIRED LABOR	1,632	1,800	4,676,508	5,109,731
EXPENSES FOR INSUR., TAXES & INTEREST	2,275	2,573	6,518,497	7,306,856
INSURANCE	285	340	816,671	964,206
PROPERTY TAXES	847	947	2,427,240	2,687,668
INTEREST	1,143	1,287	3,274,586	3,654,982
EXPENSES FOR INSURANCE, TAXES AND				
INTEREST (FARM SHARE)	2,211	2,498	6,333,985	7,091,608
INSURANCE	232	277	665,235	785,602
PROPERTY TAXES	836	934	2,394,164	2,651,024
INTEREST	1,143	1,287	3,274,586	3,654,982
MISCELLANEOUS FARM BUSINESS EXPENSE	434	579	1,242,386	1,643,130
ACCOUNTING FEES AND DUES	96	142	274,586	402,121
UTILITIES	234	342	669,919	970,319
FARM MANAGEMENT	34	54	97,814	152,601
FARM LOSSES AND DAMAGES	24	11	70,065	32,026
OTHER FARM BUSINESS EXPENSE	45	30	130,002	86,063

1/ EXCLUDES ALASKA & HAWAII.

2/ INCLUDES LANDLORD EXPENDITURES.

3/ INCLUDED IN FERTILIZER.

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

5/ EXPENDITURES BEFORE TAX REBATE.

6/ INCLUDED IN MOTOR SUPPLIES.

7/ FOR FARM MACHINERY ONLY.