
Farm Production Expenditures, 1988



**National
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Preliminary Summary

FARM EXPENDITURES UP OVER 7 PERCENT

Farm production expenditures totaled \$118.4 billion in 1988, up 7.5 percent from \$110.1 billion in 1987. Expenditures were higher for all major categories except interest which decreased 3.7 percent and building and fencing which decline 10.3 percent. Farm services including rent, the largest 1988 expenditures by farmers at \$24.6 billion, accounted for 21 percent of the Nation's production expenses. This level was 2.7 percent above 1987.

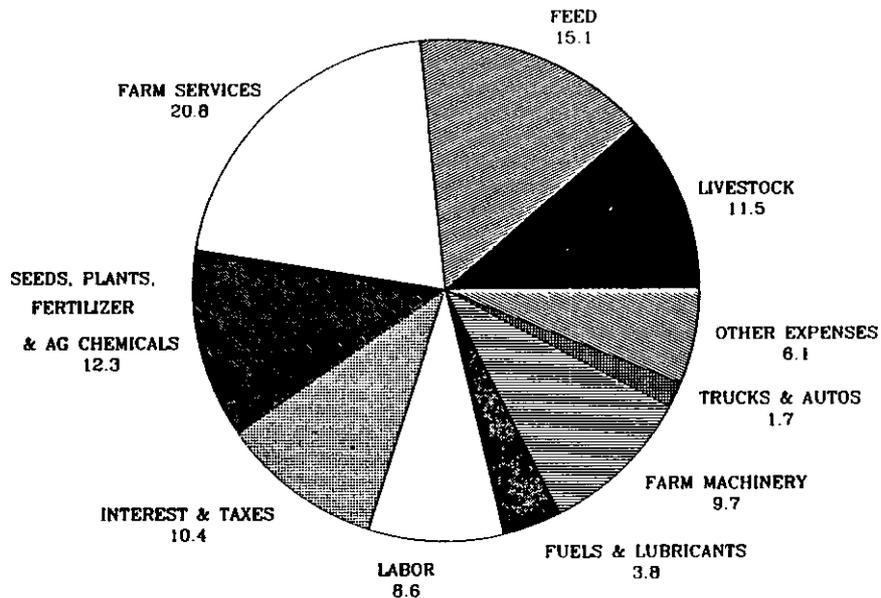
Feed expenses totaled \$17.9 billion and accounted for 15 percent of the U.S. total. Average expenditures per farm were \$54,956, an increase of \$4,165 from 1987.

Large farm (sales over \$100,000) expenditures averaged \$271,481 and accounted for over 68 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 farm (sales of \$40,000-\$100,000) expenses averaged \$75,371 for 1988 and contributed 16 percent of the U.S. total. Leading expenditures were farm services, feed, and farm machinery.

Small farm (sales less than \$40,000) expenditures averaged \$15,464 and accounted for 15 percent of the Nation's production expenses. The three leading expenditure categories for small farms were feed, farm services, and farm machinery.

1988 EXPENDITURES (PERCENT OF TOTAL FARM OUTLAY)



1988 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	1,153	1,066	5,641
LAKE STATES	1,939	2,454	8,622
CORN BELT	3,396	4,716	16,834
NORTHERN PLAINS	1,325	2,961	10,695
APPALACHIAN	2,431	1,056	5,446
SOUTHEAST	1,742	1,444	4,570
DELTA STATES	1,099	1,435	3,350
SOUTHERN PLAINS	2,945	1,799	7,950
MOUNTAIN	1,348	944	7,566
PACIFIC	1,475	870	10,089
UNITED STATES	18,854	18,745	80,762

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, UNITED STATES 2/ 1987 AND 1988

EXPENDITURE - FARM SHARE	UNITED STATES					
	FARM REPORTING 3/		AVERAGE PER FARM 4/		TOTAL EXPENDITURES 21/	
	1987	1988	1987	1988	1987	1988
	PERCENT	PERCENT	DOLLARS	DOLLARS	1,000 DOLLARS	1,000 DOLLARS
TOTAL EXPENDITURES 5/	100.0	100.0	50,791	54,956	110,142,465	118,361,751
LIVESTOCK & POULTRY:	41.8	41.5	4,929	6,318	10,688,380	13,607,228
CATTLE PURCHASED	28.6	28.3	3,817	5,171	8,278,227	11,137,770
HOGS & PIGS PURCHASED	9.7	10.3	405	607	879,268	1,308,065
POULTRY PURCHASED	5.9	4.6	415	298	900,225	641,353
OTHER LIVESTOCK & POULTRY 6/	7.3	5.8	212	154	460,250	332,664
FEED:	72.8	73.8	6,857	8,318	14,869,022	17,914,533
GRAINS	23.0	24.1	1,181	1,733	2,560,038	3,732,322
HAYS & FORAGES	24.8	29.9	669	903	1,450,579	1,945,126
COMPLETE RATION/FORMULA FEED	28.2	29.2	2,804	3,071	6,080,873	6,613,164
PROTEIN MEALS OR CONC.	26.5	25.8	1,217	1,603	2,640,165	3,453,500
SUPPLEMENTS	19.2	19.1	558	642	1,210,563	1,382,086
MINERALS, SALTS & ADDITIVES	50.1	49.2	427	366	926,804	788,335
FARM SERVICES: 7/ 8/	99.1	98.6	11,061	11,436	23,986,893	24,630,443
CROP CUSTOM SERVICES	38.4	40.9	697	800	1,510,652	1,723,266
LIVESTOCK CUSTOM SERVICES	12.5	13.0	186	280	403,774	602,160
TRANSPORTATION	34.4	34.6	528	514	1,145,920	1,107,937
VET SUPPLIES, SVCS, ETC.	58.8	56.8	553	577	1,199,215	1,242,488
RENT	41.8	40.5	4,685	4,652	10,160,169	10,020,172
MARKETING & STORAGE	55.7	55.1	922	769	1,998,532	1,656,056
INSURANCE	86.2	85.4	1,104	1,282	2,394,468	2,761,457
LEASING 9/	6.3	5.6	198	206	428,569	444,056
MISC. FARM BUSINESS 10/	92.4	91.2	834	893	1,809,397	1,922,858
UTILITIES	85.0	84.4	1,354	1,463	2,936,197	3,149,994
ELECTRICITY	87.1	85.3	1,137	1,230	2,464,947	2,649,728
AG CHEMICALS & SPRAYS: 11/	69.3	62.6	1,731	1,792	3,753,701	3,858,857
FERTILIZER: 12/	72.1	70.0	2,951	3,230	6,399,498	6,957,661
COMMERCIAL FERTILIZER	70.3	67.7	2,787	3,039	6,043,896	6,544,199
INTEREST:	53.6	51.5	4,005	3,884	8,684,589	8,365,498
FARM REAL ESTATE	41.2	39.3	2,697	2,725	5,848,530	5,868,158
OPERATING LOANS	29.9	27.8	1,308	1,160	2,836,059	2,497,340
TAXES: (PROPERTY & REAL ESTATE)	90.0	95.3	1,259	1,824	2,730,363	3,927,991
LABOR:	45.3	41.5	4,613	4,747	10,002,907	10,224,049
CASH WAGES	39.7	35.9	3,637	3,737	7,886,085	8,048,844
FUELS & LUBRICANTS:	92.7	92.1	2,006	2,066	4,350,962	4,450,295
DIESEL	64.5	63.4	985	984	2,134,926	2,119,383
GASOLINE - BULK	44.6	40.2	442	446	958,667	960,701
GASOLINE - SERVICE STATION	46.8	47.0	189	211	409,938	454,708
FARM SUPPLIES:	73.3	69.1	874	1,044	1,894,880	2,249,287
SUPPLIES USED IN PROD. 13/	72.1	68.0	561	787	1,215,987	1,694,515
CONTAINERS USED FOR MARKETING:	5.2	5.0	313	258	678,893	554,771
BUILDING & FENCING:	54.9	51.8	1,145	1,034	2,482,338	2,226,172
NEW CONSTRUCTION & REMODELING:	22.9	19.2	775	698	1,679,842	1,503,013
FARM & LAND IMPROVEMENTS:	20.5	17.1	353	438	766,004	943,058
NEW CONSTRUCTION	10.2	8.3	238	297	515,920	640,050
FARM MACHINERY: 14/15/16/17/	86.7	85.9	5,072	5,340	10,998,121	11,501,268
SEEDS & PLANTS: 18/ 19/	66.8	63.9	1,632	1,714	3,540,308	3,692,164
TRUCKS & AUTOS: 20/	19.3	19.0	852	956	1,847,682	2,058,496
TRUCKS INCL. BEDS, HYDRAULIC SYSTEMS, ETC.	15.1	15.1	726	839	1,574,496	1,807,080

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, BY REGION 1/, 1988

EXPENDITURE - FARM SHARE 21/	TOTAL EXPENDITURES BY REGION, 1988				
	NORTHEAST	LAKE STATES	CORN BELT	NORTHERN PLAINS	APPALACHIAN
	1,000 DOLLARS				
TOTAL FARM PROD. EXPEND. 5/	7,860,986	13,015,735	24,946,178	14,980,609	8,932,089
LIVESTOCK & POULTRY:	589,998	1,176,737	2,463,247	2,626,785	853,340
CATTLE PURCHASED	410,032	982,193	1,826,094	2,427,739	389,394
HOGS & PIGS PURCHASED	78,415	149,731	589,888	147,119	182,936
POULTRY PURCHASED	69,512	15,372	18,363	18,551	181,071
OTHER LIVESTOCK & POULTRY 6/	30,799	25,518	19,690	17,373	97,582
FEED:	1,552,994	1,915,259	3,454,515	1,586,573	1,654,798
GRAINS	165,522	487,356	708,434	428,418	194,351
HAYS & FORAGES	92,775	157,820	204,777	125,653	86,452
COMPLETE RATION/FORMULA FEED	920,380	298,126	744,862	335,692	1,102,936
PROTEIN MEALS OR CONCENTRATES:	264,375	714,734	1,137,430	473,377	124,971
SUPPLEMENTS	60,416	149,562	529,931	130,243	93,881
MINERALS, SALTS & ADDITIVES	49,526	107,660	129,082	93,191	52,208
FARM SERVICES: 7/ 8/	1,237,478	2,416,708	5,686,993	3,594,611	1,706,521
CROP CUSTOM SERVICES	65,280	148,169	269,090	279,046	102,910
LIVESTOCK CUSTOM SERVICES	6,309	36,874	12,062	267,465	19,706
TRANSPORTATION	140,989	136,024	139,183	70,645	91,065
VET SUPPLIES, SVCS, ETC.	136,955	220,987	252,622	140,006	101,626
RENT	229,125	830,650	3,484,172	1,895,333	516,139
MARKETING & STORAGE	99,221	147,743	174,095	77,837	223,678
INSURANCE	176,495	303,835	517,653	320,041	227,630
LEASING 9/	21,410	41,701	90,277	58,564	22,560
MISC. FARM BUSINESS 10/	119,690	170,822	238,971	167,685	131,503
UTILITIES	242,004	379,903	508,868	317,989	269,704
ELECTRICITY	210,336	322,343	415,412	241,689	226,153
AG CHEMICALS & SPRAYS: 11/	187,436	424,324	1,092,061	358,022	266,821
FERTILIZER: 12/	372,703	806,833	2,109,388	730,391	600,414
COMMERCIAL FERTILIZER	322,445	754,284	1,995,063	715,542	550,676
INTEREST:	453,459	1,143,152	1,895,375	1,108,218	571,946
FARM REAL ESTATE	348,608	851,255	1,356,212	628,984	455,316
OPERATING LOANS	104,851	291,897	539,163	479,235	116,630
TAXES: (PROPERTY & REAL ESTATE)	302,020	652,496	983,948	616,511	199,230
LABOR:	1,077,330	861,940	905,264	473,637	797,319
CASH WAGES	857,685	752,842	766,283	420,655	623,246
FUELS & LUBRICANTS:	266,889	471,249	845,422	742,597	365,618
DIESEL	119,076	238,808	422,925	382,051	135,294
GASOLINE - BULK	64,954	132,871	203,360	183,312	45,673
GASOLINE - SERVICE STATION	20,861	26,849	58,416	42,809	66,930
FARM SUPPLIES:	255,480	311,643	292,538	166,585	182,041
SUPPLIES USED IN PROD. 13/	175,820	259,967	273,967	165,283	154,785
CONTAINERS USED FOR MARKETING:	79,660	51,676	18,571	1,301	27,256
BUILDING & FENCING:	254,988	249,815	395,226	162,434	252,167
NEW CONSTRUCTION & REMODELING:	179,765	150,622	249,423	94,090	173,215
FARM & LAND IMPROVEMENTS:	67,111	87,185	148,782	106,651	59,856
NEW CONSTRUCTION	51,037	66,210	98,625	78,237	42,127
FARM MACHINERY: 14/15/16/17/	904,259	1,523,691	2,505,382	1,648,195	903,584
SEEDS & PLANTS: 18/ 19/	208,816	490,638	981,773	454,199	224,012
TRUCKS & AUTOS: 20/	100,695	195,108	377,489	287,218	240,598
TRUCKS INCL BEDS, HYDRAULIC SYSTEMS, ETC.	93,359	149,246	326,760	239,877	228,330

SEE FOOTNOTES ON PAGE 6.

FARM PRODUCTION EXPENDITURES, BY REGION 1/, 1988 CONTINUED

EXPENDITURE - FARM SHARE 21/	TOTAL EXPENDITURES BY REGION, 1988				
	SOUTHEAST	DELTA STATES	SOUTHERN PLAINS	MOUNTAIN	PACIFIC
	1,000 DOLLARS				
TOTAL FARM PROD. EXPEND. 5/	7,756,268	5,883,468	12,693,827	9,858,902	12,433,689
LIVESTOCK & POULTRY:	677,210	552,705	2,619,787	1,451,826	595,592
CATTLE PURCHASED	423,578	310,601	2,525,851	1,374,922	467,365
HOGS & PIGS PURCHASED	29,420	103,669	9,309	14,479	3,099
POULTRY PURCHASED	190,527	124,514	6,468	506	16,466
OTHER LIVESTOCK & POULTRY 6/	33,544	13,703	24,380	33,404	36,671
FEED:	1,451,368	1,247,511	1,711,486	1,815,325	1,524,704
GRAINS	181,558	34,159	642,971	568,395	275,512
HAYS & FORAGES	89,763	55,193	283,567	381,782	437,387
COMPLETE RATION/FORMULA FEED	845,349	1,069,379	426,661	366,484	653,520
PROTEIN MEALS OR CONCENTRATES:	100,782	42,939	207,179	252,418	65,193
SUPPLEMENTS	146,072	28,121	69,826	115,503	40,143
MINERALS, SALTS & ADDITIVES	87,843	17,719	81,282	130,744	52,950
FARM SERVICES: 7/ 8/	1,255,436	1,167,136	2,479,178	2,158,787	2,959,610
CROP CUSTOM SERVICES	87,259	144,646	211,830	139,338	275,697
LIVESTOCK CUSTOM SERVICES	3,071	3,708	74,230	92,022	118,727
TRANSPORTATION	136,651	56,640	92,396	92,979	151,365
VET SUPPLIES, SVCS, ETC.	56,634	27,666	116,737	112,812	76,443
RENT	243,839	481,835	872,121	611,286	855,671
MARKETING & STORAGE	170,602	110,115	258,772	84,658	309,335
INSURANCE	163,240	121,894	241,886	431,338	257,446
LEASING 9/	11,337	40,734	62,297	34,635	60,540
MLSC. FARM BUSINESS 10/	134,188	54,805	214,353	253,153	437,689
UTILITIES	248,615	125,094	334,555	306,566	416,696
ELECTRICITY	216,323	110,058	264,130	271,767	368,824
AG CHEMICALS & SPRAYS: 11/	341,362	362,283	225,615	177,649	423,282
FERTILIZER: 12/	526,893	338,421	593,823	342,362	536,434
COMMERCIAL FERTILIZER	469,877	312,132	578,643	337,543	499,381
INTEREST:	395,902	309,616	806,566	785,312	895,950
FARM REAL ESTATE	300,237	200,566	485,352	517,529	702,544
OPERATING LOANS	95,665	109,050	321,215	267,782	193,407
TAXES: (PROPERTY & REAL ESTATE)	178,890	88,845	311,362	252,959	341,729
LABOR:	1,221,383	411,759	956,066	873,611	2,645,740
CASH WAGES	980,747	324,442	734,391	704,078	1,897,962
FUELS & LUBRICANTS:	290,687	255,745	544,216	341,372	326,499
DIESEL	132,660	150,765	247,058	155,280	137,330
GASOLINE - BULK	35,508	16,368	63,670	109,776	95,359
GASOLINE - SERVICE STATION	40,067	34,534	104,315	27,172	36,481
FARM SUPPLIES:	188,773	49,411	181,511	168,539	420,752
SUPPLIES USED IN PROD. 13/	97,280	43,532	171,833	144,897	195,394
CONTAINERS USED FOR MARKETING:	91,491	5,879	9,679	23,643	225,358
BUILDING & FENCING:	158,773	159,027	238,621	152,030	203,092
NEW CONSTRUCTION & REMODELING:	96,048	134,577	171,402	106,677	147,195
FARM & LAND IMPROVEMENTS:	67,867	44,034	98,611	124,393	138,567
NEW CONSTRUCTION	49,033	36,659	61,318	69,698	87,106
FARM MACHINERY: 14/15/16/17/	552,921	625,916	1,207,902	756,142	873,277
SEEDS & PLANTS: 18/ 19/	267,427	162,707	372,596	189,562	340,433
TRUCKS & AUTOS: 20/	121,173	88,860	320,863	174,878	151,613
TRUCKS INCL BEDS, HYDRAULIC SYSTEMS, ETC.	108,725	85,604	284,931	153,065	131,883

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).
- 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/ TOTALS MAY NOT ADD DUE TO ROUNDING. SOME DETAILED REGIONAL BREAKDOWNS WILL NOT ADD TO THE U.S. TOTAL BECAUSE OF ALLOCATION PROCEDURES USED TO DISTRIBUTE MAJOR EXPENDITURES.

EXPENDITURE DATA IN THIS REPORT WILL DIFFER FROM PRODUCTION EXPENSES 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 26,000 FARMS 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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