

Farm Production Expenditures, 2004

By Julie A. Donahoe

U.S. farm production expenditures totaled \$210.7 billion in 2004, up 5.1 percent from the revised 2003 total of \$200.5 billion. The largest contributors to the increase were tractors and self-propelled farm machinery, up 24.3 percent; fuels, up 19.4 percent; fertilizer, up 14.0 percent; feed, up 9.1 percent; and labor, up 5.5 percent. Farm services and interest were the only expenditure categories to show a decrease being down 2.2 and 4.3 percent, respectively. The rent expenditure was unchanged from the previous year. The largest two expenditure categories were feed, which accounted for 14.2 percent of the U.S. total production expenses, and farm services which accounted for 12.5 percent of the U.S. total production expenses. The farm services category includes expense items such as custom work, utilities, marketing charges, veterinary services, transportation costs, and miscellaneous business expenses.

The average expenditures per U.S. farm in 2004 were \$99,983 compared to \$94,542 as revised for 2003. On the average, U.S. farm operations in 2004 spent \$14,236 on feed; \$12,480 on farm

services; \$10,914 on labor; \$9,016 on livestock and poultry purchases; and \$7,782 on rent. Revised estimates for 2003 indicated U.S. farms spent an average of \$12,967 on feed; \$12,684 on farm services; \$10,279 on labor; \$8,723 on livestock and poultry purchases; and \$7,733 on rent.

Farm Production Regions were changed from 10 to 5 regions this calendar year. This change improves the overall quality of regional estimates and allows NASS to publish state level expenditure estimates without disclosing data for unpublished states.

The Atlantic Region (CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV) contributed \$32.1 billion or 15.2 percent of the 2004 U.S. total for farm production expenditures. The total expenditures for the five regions were: the Midwest (IL, IN, IA, MI, MN, MO, OH, WI) at \$59.9 billion; West (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY) at \$47.7 billion; Plains (KS, NE, ND, OK, SD, TX) at \$47.5 billion; Atlantic at \$32.1 billion; and South (AL, AR, FL, GA, LA, MS, SC) at \$23.6 billion.

Farm Production Expenditures: Major Input Items, Average per Farm and Total, Atlantic Region¹⁴ & U.S.¹, 2003-2004

Expenditure - Farm Share	Farms Reporting ¹²		Average per Farm ¹³		Total Expenditures	
	2003	2004	2003	2004	2003	2004
	Percent		Dollars		Million Dollars	
Atlantic¹⁴						
Total Farm Production Expenditures ^{2,3}	100.0	100.0	66,667	73,372	29,570	32,060
Livestock, Poultry & Related Expenses ⁴	29.9	28.7	5,749	5,950	2,550	2,600
Feed	71.6	68.3	13,031	14,418	5,780	6,300
Farm Services ⁵	95.5	97.5	8,184	8,376	3,630	3,660
Rent ⁶	21.2	23.3	2,277	2,357	1,010	1,030
Agricultural Chemicals ⁷	42.0	46.3	1,826	1,968	810	860
Fertilizer, Lime & Soil Conditioners ⁷	61.7	59.9	2,457	2,678	1,090	1,170
Interest	34.7	36.4	2,728	2,517	1,210	1,100
Taxes (Real Estate & Property)	98.9	99.5	2,142	2,289	950	1,000
Labor	36.3	35.6	8,049	8,422	3,570	3,680
Fuels	89.5	91.5	2,074	2,678	920	1,170
Farm Supplies & Repairs ⁸	88.9	88.8	3,945	4,920	1,750	2,150
Farm Improvements & Construction ^{9,10}	61.2	63.1	5,073	6,568	2,250	2,870
Tractors & Self-Propelled Farm Machinery	16.8	17.3	2,818	3,433	1,250	1,500
Other Farm Machinery	25.7	24.0	1,623	1,625	720	710
Seeds & Plants ¹¹	44.1	47.4	2,976	2,815	1,320	1,230
Trucks & Autos	16.7	18.3	1,488	1,968	660	860
United States¹						
Total Farm Production Expenditures ^{2,3}	100.0	100.0	94,542	99,983	200,500	210,700
Livestock, Poultry & Related Expenses ⁴	30.6	25.7	8,723	9,016	18,500	19,000
Feed	65.1	62.2	12,967	14,236	27,500	30,000
Farm Services ⁵	95.4	95.7	12,684	12,480	26,900	26,300
Rent ⁶	30.7	31.5	7,733	7,782	16,400	16,400
Agricultural Chemicals ⁷	48.4	48.8	3,961	4,034	8,400	8,500
Fertilizer, Lime & Soil Conditioners ⁷	58.3	57.8	4,715	5,410	10,000	11,400
Interest	42.2	39.7	4,385	4,223	9,300	8,900
Taxes (Real Estate & Property)	98.8	98.8	3,206	3,322	6,800	7,000
Labor	34.5	34.6	10,279	10,914	21,800	23,000
Fuels	84.5	85.6	3,159	3,796	6,700	8,000
Farm Supplies & Repairs ⁸	84.6	84.8	5,187	5,505	11,000	11,600
Farm Improvements & Construction ^{9,10}	57.2	59.5	5,564	5,979	11,800	12,600
Tractors & Self-Propelled Farm Machinery	22.4	23.3	3,301	4,128	7,000	8,700
Other Farm Machinery	27.6	28.2	1,839	2,040	3,900	4,300
Seeds & Plants ¹¹	45.7	45.7	4,432	4,508	9,400	9,500
Trucks & Autos	24.4	24.2	2,122	2,278	4,500	4,800

¹ Excludes AK and HI. ² Total includes miscellaneous production expenses not allocated to any of the 16 expense categories published. Therefore, the sum of individual expenditure items will not add to totals. ³ Includes landlord and contractor share of farm production expenses. ⁴ Includes purchases and leasing of livestock and poultry. ⁵ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. ⁶ Includes public and private grazing fees. ⁷ Includes material and application costs. ⁸ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. ⁹ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. ¹⁰ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2003. ¹¹ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. ¹² Number of farms reporting item divided by total number of farms. ¹³ Total expenditures divided by total number of farms. ¹⁴ Atlantic Region consists of CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV.