

Farm Production Expenditures, 2007

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U.S. Farm Production Expenditures totaled \$260 billion in 2007, up 9.3 percent from the revised 2006 total of \$238 billion. The largest percentage contributors to the increase were Fertilizer, Lime, and Soil Conditioners, up 26 percent; Feed, up 21 percent; Fuels, up 14 percent; Agricultural Chemicals, up 11 percent; and Tractors and Self Propelled Equipment, up 11 percent. For the first year ever, the trend for all expense items was higher than the previous year, except for Miscellaneous Capital Expenses, which were unchanged.

Fuel prices and weather were two large factors affecting farm production expenditures, during the year. One component affecting production expenditures in 2007 was increasing petroleum cost. This translated into rising fuel cost directly, as well as fertilizer products, chemicals and transportation costs. Indirectly, fuel prices and ethanol production have contributed to higher crop prices and increased feed costs. Frost damaged citrus in California, apples in Washington, and other crops in the Southeast. Spring and summer drought hindered production in the South, and continued throughout the Mid-Atlantic into the fall. Hot summer temperatures across the U.S. produced the sixth hottest summer on record.

In 2007, the average per farm U.S. Total Farm Expenditure was \$125,648 compared with \$114,186 an increase of 10 percent over 2006. On average, U.S. farm operations spent: \$18,412 on Feed,

\$16,575 on Farm Services, \$12,903 on Livestock and Poultry Purchases, \$12,564 on Labor, \$8,988 on Rent, and \$8,070 on Fertilizer, Lime, and Soil Conditioners. Revised estimates for 2006 indicate U.S. farms spent an average of: \$15,365 on Farm Services, \$15,077 on Feed, \$12,532 on Livestock and Poultry Purchases, \$11,764 on Labor, and \$8,787 on Rent. Average Total Expenditures for large farms (\$1 million and over in sales) was \$3.06 million, 4.3 times larger than the next largest economic class. The average Total Expenditure for a Crop farm was \$151,978 compared with \$106,742 per Livestock farm.

Total Expenditures by Farm Production Expenditure Region were up for four of the five regions in 2007. The Plains had the highest increase at 16 percent, followed by the Midwest up 14 percent. The West remained almost steady with a slight decrease of 0.7 percent.

The Atlantic Region (CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV) contributed \$32.3 billion or 12 percent of the 2007 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 \$74.4 billion; Plains (KS, NE, ND, OK, SD, TX) at \$64.3 billion; West (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY) at \$58.7 billion; Atlantic at \$32.3 billion; and South (AL, AR, FL, GA, LA, MS, SC) at \$30.2 billion.

Farm Production Expenditures: Major Input Items, Average per Farm and Total, Atlantic Region¹³ & U.S.¹, 2006-2007

Expenditure - Farm Share	Farms Reporting ¹¹		Average per Farm ¹²		Total Expenditures	
	2006	2007	2006	2007	2006	2007
	Percent		Dollars		Million Dollars	
Atlantic¹³						
Total Farm Production Expenditures ²	100.0	100.0	72,375	76,535	30,850	32,340
Livestock, Poultry & Related Expenses ³	28.0	23.4	6,428	5,798	2,740	2,450
Feed	65.5	67.2	12,364	15,146	5,270	6,400
Farm Services ⁴	94.9	95.3	9,079	9,585	3,870	4,050
Rent ⁵	24.8	20.8	2,229	2,343	950	990
Agricultural Chemicals ⁶	36.2	37.7	1,947	2,201	830	930
Fertilizer, Lime & Soil Conditioners ⁶	54.7	53.5	3,284	3,550	1,400	1,500
Interest	31.4	32.8	2,956	3,384	1,260	1,430
Taxes (Real Estate & Property)	100.0	100.0	3,191	3,503	1,360	1,480
Labor	29.3	29.3	8,493	8,212	3,620	3,470
Fuels	87.5	86.8	3,425	3,739	1,460	1,580
Farm Supplies & Repairs ⁷	83.9	86.3	4,716	5,064	2,010	2,140
Farm Improvements & Construction ⁸	62.2	58.3	6,076	6,106	2,590	2,580
Tractors & Self-Propelled Farm	17.4	18.1	2,393	2,367	1,020	1,000
Other Farm Machinery	20.1	21.7	1,361	1,349	580	570
Seeds & Plants ⁹	40.0	40.0	2,909	2,911	1,240	1,230
Trucks & Autos	16.8	14.7	1,478	1,160	630	490
Miscellaneous Capital Expenses ¹⁰	2.8	7.5	47	118	20	50
United States¹						
Total Farm Production Expenditures ²	100.0	100.0	114,186	125,648	237,810	260,010
Livestock, Poultry & Related Expenses ³	28.4	25.0	12,532	12,903	26,100	26,700
Feed	62.2	60.7	15,077	18,412	31,400	38,100
Farm Services ⁴	94.6	93.5	15,365	16,575	32,000	34,300
Rent ⁵	30.7	29.4	8,787	8,988	18,300	18,600
Agricultural Chemicals ⁶	47.4	46.7	4,321	4,832	9,000	10,000
Fertilizer, Lime & Soil Conditioners ⁶	55.8	52.4	6,386	8,070	13,300	16,700
Interest	40.5	38.3	5,138	5,557	10,700	11,500
Taxes (Real Estate & Property)	99.8	99.7	4,321	4,736	9,000	9,800
Labor	31.5	32.1	11,764	12,564	24,500	26,000
Fuels	83.8	80.7	5,330	6,137	11,100	12,700
Farm Supplies & Repairs ⁷	82.8	79.9	6,434	6,910	13,400	14,300
Farm Improvements & Construction ⁸	57.1	53.8	6,098	6,330	12,700	13,100
Tractors & Self-Propelled Farm	19.9	22.4	3,505	3,914	7,300	8,100
Other Farm Machinery	23.9	23.8	1,873	1,933	3,900	4,000
Seeds & Plants ⁹	43.4	40.1	5,282	5,751	11,000	11,900
Trucks & Autos	20.8	21.9	1,873	1,933	3,900	4,000
Miscellaneous Capital Expenses ¹⁰	11.0	14.9	101	101	210	210

See footnotes on next page.