

**FEATURING: ★ CROP PRODUCTION ★ FARM PRODUCTION EXPENDITURES ★ DAIRY PRODUCTS**

**KENTUCKY CROP PROSPECTS ARE DOWN FOR 1999**

**U.S. HIGHLIGHTS**

**Corn production** was forecast at 9.56 billion bushels, down 2 percent from 1998. This would be the third largest production on record.

**Corn yield** was expected to average 134.7 bushels per acre, up 0.3 bushels from a year ago. This would be the second highest yield on record.

**Soybean production** was forecast at a record high 2.87 billion bushels, up 4 percent from last year's record of 2.76 billion bushels.

**Soybean yield** was forecast at 39.2 bushels per acre, up 0.3 bushels from 1998 but 2.2 bushels below the record set in 1994.

**Eight-State Burley Belt** production was forecast at 577.2 million pounds compared with 582.3 million pounds in 1998.

**Apple production** was forecast at 10.6 billion pounds, down 7 percent from 1998 but 2 percent above 1997.

**KENTUCKY**

Crop production prospects for Kentucky in 1999 were down from the 1998 final estimates for all fall crops. Planting of corn and soybeans and setting of tobacco were far advanced this year by a favorable spring and early summer and most crops were off to an excellent start by June 1. However, the summer growing season has been restrained by a lack of rainfall and a period of high temperatures in the 90 degrees plus range. Far western areas of the state received adequate moisture until recently, while central and eastern Kentucky have received little or no rain during the growing season.

**Burley tobacco** production was forecast at 408.5 million pounds, down 2 percent from the 1998 crop. The estimated crop would be 97 percent of the 421.0 million pound effective quota. Harvested acres at 215,000 were unchanged from last year's final acres. The yield was estimated at 1,900 pounds per acre, down 35 pounds from

1998's final yield. Setting of tobacco was well-advanced this spring and both percent blooming and topped were well ahead of both last year and the 5-year average. As of August 8, 78 percent of the burley was blooming or beyond and 57 percent had been topped. The dry summer however has lowered crop condition throughout much of the State. Black shank was the most serious disease problem statewide but scattered blue mold and soreshin incidents have been reported.

**Corn** production as of August 1 was forecast at 130.2 million bushels, down 4 percent from last year. Expected acres to be harvested for grain at 1.24 million was up 60,000 acres from 1998, and if realized will be the largest acreage harvested since 1992. Yield was forecast at 105 bushels per acre, down 10 bushels from last year. Forecasted yield was down due to the lack of sufficient rainfall during the growing season.

**Soybean** production was forecast at 31.9 million bushels, down 11 percent from a year ago, and the smallest production since 1988. Yield was forecast at 27.0 bushels per acre, down 3 bushels from 1998. This yield would be the lowest in 11 years. Harvested acreage, estimated at 1.18 million acres, was down 20,000 acres from last year's 1.20 million acres, and the lowest harvested acreage in 3 years. Late planted soybeans (after the wheat harvest) are under a great deal of stress. Dry conditions have reduced the pod fill of early season soybeans.

Forecasted **hay** production was down due to the dry weather. **Alfalfa** yields were expected to average 2.8 tons per acre, the lowest since 1988. Production was forecast at 700,000 tons, down 20 percent from last year, and the smallest harvest since 1983. **Other hay** production was forecast at 4.09 million tons, down 15 percent from 1998. Yield was forecast at 1.9 tons per acre, the smallest yield for other hay since 1988.

**Apple** production was forecast at 14.0 million pounds, up 3 million pounds from the 1998 crop. Apple production and condition vary on an individual orchard basis. While the overall crop had a promising start, the lack of moisture has severely reduced the size of the crop for many orchards.

# CROP PRODUCTION

## CROP SUMMARY, AUGUST 1 KENTUCKY AND UNITED STATES

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		1998	1999	1998	1999	1998	1999	
			Indicated		Indicated		Indicated	% of '98
		(Thousand)				(Thousand)		
<b>KENTUCKY</b>								
Corn for Grain	Bu.	1,180	1,240	115.0	105.0	135,700	130,200	96
Soybeans for beans	Bu.	1,200	1,180	30.0	27.0	36,000	31,860	89
Sorghum for Grain	Bu.	8	7	80.0	80.0	640	560	88
Hay:								
All	Ton	2,350	2,400	2.43	1.99	5,705	4,785	84
Alfalfa	Ton	250	250	3.50	2.80	875	700	80
All other	Ton	2,100	2,150	2.30	1.90	4,830	4,085	85
Tobacco:								
All	Lbs.	226.26	226.35	1,961	1,918	443,628	434,070	98
Burley	Lbs.	215.00	215.00	1,935	1,900	416,025	408,500	98
Type 22 E. Fired	Lbs.	3.85	3.65	2,315	2,100	8,913	7,665	86
Type 23 W. Fired	Lbs.	3.60	3.45	2,805	2,400	10,098	8,280	82
Type 35 One Sucker	Lbs.	2.45	2.75	2,280	2,300	5,586	6,325	113
Type 36 Green River	Lbs.	1.36	1.50	2,210	2,200	3,006	3,300	110
All Wheat	Bu.	550	430	45.0	60.0	24,750	25,800	104
Barley 1/	Bu.	7	8	63.0	86.0	441	688	156
Commercial Apples	Lbs.					11,000	14,000	127
<b>UNITED STATES</b>								
Corn for Grain	Bu.	72,604	70,955	134.4	134.7	9,761,085	9,560,919	98
Soybeans for Beans	Bu.	70,811	73,261	38.9	39.2	2,756,794	2,869,519	104
Sorghum for Grain	Bu.	7,723	8,499	67.3	69.2	519,933	587,967	113
Hay:								
All	Ton	60,016	62,051	2.52	2.59	151,338	160,769	106
Alfalfa	Ton	23,642	23,968	3.47	3.47	82,010	83,160	101
All Other	Ton	36,374	38,083	1.91	2.04	69,328	77,609	112
Tobacco:								
All	Lbs.	717.66	661.11	2,061	2,069	1,479,179	1,367,857	92
Burley	Lbs.	307.10	305.70	1,896	1,888	582,336	577,195	99
Type 22 E. Fired	Lbs.	11.15	10.65	2,325	2,231	25,922	23,765	92
Type 23 W. Fired	Lbs.	4.19	4.01	2,762	2,414	11,573	9,680	84
Type 35 One Sucker	Lbs.	2.98	3.35	2,238	2,246	6,657	7,525	113
Type 36 Green River	Lbs.	1.36	1.50	2,210	2,200	3,006	3,300	110
All Wheat	Bu.	59,002	54,467	43.2	42.5	2,550,383	2,314,508	91
Barley	Bu.	5,867	4,834	60.1	58.2	352,445	281,365	80
Commercial Apples	Lbs.					11,387	10,563	93

1/ Estimates for current year carried forward from earlier forecast.

## PRODUCTION EXPENDITURES UP SLIGHTLY IN 1998

U.S. farm production expenditures totaled \$183.6 billion in 1998, up 0.2 percent from the revised 1997 total of \$183.2 billion. The largest contributors to the increase were: trucks and autos, up 15.8 percent; tractors and self propelled farm machinery, up 11.1 percent; seeds and plants, up 7.5 percent; and farm improvements and construction, up 5.7 percent. These increases were partially offset by decreases in: fuels, down 10.0 percent; rent, down 6.3 percent; and feed, down 4.9 percent. The largest two expenditure categories were feed and farm services; each accounted for 13.6 percent of 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.

Average expenditures per U.S. farm in 1998 were \$83,987 compared to \$83,856, as revised for 1997. On the average, U.S. farm operations in 1998 spent \$11,439 on feed; \$11,439 on farm services; \$7,916 on rent; \$8,694 on labor; and \$6,498 on livestock and poultry purchases. Revised estimates for 1997 indicated that U.S. farms spent an average of \$12,040 on feed; \$11,307 on farm services; \$8,455 on rent; \$8,377 on labor; and \$6,500 for livestock and poultry purchases.

The Farm Production Region contributing most to the total 1998 U.S. farm production expenditures was the Corn Belt with expenses of \$34.8 billion, 19 percent of the U.S. total. Expenditures in the Corn Belt were up 2.7 percent from the 1997 level of \$33.9 billion. In total expenditures, the Corn Belt was followed by the Pacific Region at \$29.1 billion (1997 - \$29.9 b.); Northern Plains \$22.6 billion (1997 - \$22.6 b.); Lake States \$19.1 billion (1997 - \$19.3 b.); and the Southern Plains at \$15.6 billion (1997 - \$16.0 b.).

### APPALACHIAN REGION

Farm production expenditures for 1998 totaled \$14.1 billion for KY, NC, TN, VA, and WV. This is up 6 percent from the 1997 amount. The Appalachian Region accounted for 7.7 percent of the U.S. total expenditures. The five largest expense items for the Appalachian Region were feed, farm services, livestock, poultry and related expenses, labor and farm supplies and repairs. These five items accounted for 58 percent of total expenditures for 1998. The item that saw the largest increase from 1997 was farm improvements and construction that increased 17 percent.

# FARM PRODUCTION EXPENDITURES - 1997 AND 1998

<b>EXPENDITURE - FARM SHARE</b>	<b>APPALACHIAN REGION <u>1/</u></b>					<b>UNITED STATES <u>2/</u></b>				
	Average		Total Expenditures			Average		Total Expenditures		
	per Farm <u>3/</u>		1997	1998	'98 % of '97	per Farm <u>3/</u>		1997	1998	'98 % of '97
	1997	1998				1997	1998			
	Dollars	Million Dollars		(%)	Dollars	Million Dollars		(%)		
Total Farm Production Expenditures <u>4/</u> <u>5/</u>	42,913	45,696	13,346	14,120	106	83,856	83,987	183,180	183,550	100
Livestock, Poultry & Related Expenses <u>6/</u>	3,875	4,191	1,205	1,295	107	6,500	6,498	14,200	14,200	100
Feed	10,193	10,324	3,170	3,190	101	12,040	11,439	26,300	25,000	95
Farm Services <u>7/</u>	5,305	5,696	1,650	1,760	107	11,307	11,439	24,700	25,000	101
Rent <u>8/</u>	2,508	2,605	780	805	103	8,455	7,916	18,470	17,300	94
Agricultural Chemicals <u>9/</u>	1,495	1,602	465	495	106	4,120	4,164	9,000	9,100	101
Fertilizer, Lime & Soil Conditioners <u>9/</u>	2,331	2,638	725	815	112	4,990	4,850	10,900	10,600	97
Interest	1,929	2,039	600	630	105	4,807	4,942	10,500	10,800	103
Taxes (Real Estate & Property)	1,161	1,181	361	365	101	3,044	3,203	6,650	7,000	105
Labor	3,424	3,754	1,065	1,160	109	8,377	8,694	18,300	19,000	104
Fuels	1,383	1,369	430	423	98	2,747	2,471	6,000	5,400	90
Farm Supplies & Repairs	2,540	2,654	790	820	104	5,631	5,582	12,300	12,200	99
Farm Improvements & Construction <u>11/</u>	1,543	1,812	480	560	117	2,792	2,951	6,100	6,450	106
Tractors & Self-Propelled Farm Machinery	1,736	1,987	540	614	114	2,472	2,745	5,400	6,000	111
Other Farm Machinery	932	1,036	290	320	110	1,561	1,624	3,410	3,550	104
Seeds & Plants <u>12/</u>	1,068	1,197	332	370	111	3,067	3,295	6,700	7,200	107
Trucks & Autos	1,399	1,537	435	475	109	1,740	2,013	3,800	4,400	116

1/Appalachian: KY, NC, TN, VA, WV. 2/Excludes AK and HI. 3/Total expenditures divided by total number of farms. 4/Total includes production costs not allocated to any of the 16 expense categories published. 5/Includes landlord and contractor share of farm production expenses. 6/Includes purchases and leasing of livestock and poultry. 7/Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 8/Includes private and public grazing fees. 9/Includes material and application costs. 10/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. 11/Includes all expenditures related to new construction or repairs of buildings and fences and any improvements to physical structures of land. 12/Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatments.

**U.S. PRODUCTION EXPENDITURES  
BY ECONOMIC CLASS GROSS SALES - 1998 1/**

GROSS SALES	AVERAGE EXPENDITURE PER FARM	TOTAL EXPENDITURE	PERCENT OF TOTAL U.S. EXPENDITURE
	Dollars	Million Dollars	(%)
\$250,000+	642,333	104,090	57
\$100,000 - 249,999	182,604	35,480	19
\$40,000 - 99,999	77,408	17,680	10
\$10,000 - 39,999	34,303	14,150	8
Less than \$10,000	10,226	12,150	6

1/ Excludes AK and HI.

**U. S. DAIRY PRODUCTS, JUNE 1999**

PRODUCT	June 1998	May 1999 1/	June 1999	Percent of June May	
	(000) Pounds			1998	1999
<b>BUTTER</b>	69,886	104,698	90,647	130	87
<b>CHEESE</b>	(000) Gallons			Percent	
American Types 2/	287,835	314,570	295,972	103	94
Mozzarella	198,521	213,759	209,704	106	98
All Other Types 3/	155,714	147,824	165,181	106	112
Total	642,070	676,153	670,857	105	99
<b>FROZEN PRODUCTS</b>	(000) Gallons			Percent	
Ice Cream (Hard)	88,896	76,134	88,295	99	116
Frozen Yogurt (Total)	8,219	8,965	8,748	106	98
<b>MIX FOR FROZEN PRODUCTS</b>	(000) Gallons			Percent	
Ice Cream Mix	50,069	43,949	50,092	100	114
Yogurt Mix	5,202	5,674	5,537	106	98

1/ Revised. 2/ Includes Cheddar, Colby, Monterey, and Jack. 3/ Includes Swiss, cream and all other types. Excludes cottage cheese.

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