



NEWS RELEASE

**Farm Production Expenditures
July 16, 2004**

2003 FARM PRODUCTION EXPENDITURES

Farm production expenditures for the Northern Plains Region totaled \$26.1 billion in 2003, up 7.9 percent from 2002, according to the North Dakota Agricultural Statistics Service. The Northern Plains Region includes North Dakota, South Dakota, Nebraska and Kansas. Nationally, farm production expenses increased 3.0 percent from 2002. Livestock, poultry, and related expenses, the largest expenditure in the Northern Plains, increased 14.5 percent. Interest expense had one of the largest percentage drops, down 12.5 percent from last year. Nationally, interest expense decreased 11.4 percent, which was also the largest percentage drop. Decreases in expenditures were reported in farm services, interest expense, taxes expense, and farm supplies and repairs expense for Northern Plains operations. All other expense categories for Northern Plains operations showed increases from 2002. The largest increase in expenditures for Northern Plains operations was for the farm improvements & construction category, up 98.1 percent from 2002.

Livestock, poultry and related expenses accounted for 18.1 percent of the Northern Plains total production expenses, while rent, feed, and farm services accounted for 11.8, 11.4, 10.6 percent, respectively. The farm services category includes items such as crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities.

The average total expenditures per farm in the Northern Plains for 2003 were \$149,057, up from \$136,169 in 2002. The National average was \$93,785 per farm compared to \$89,722 in 2002. In the Northern Plains region, the livestock, poultry, and related expenses category was the leading 2003 expenditure category at \$27,044 per farm, over 3 times the national average. The Northern Plains average per farm for rent, at \$17,553, was over twice the national average; feed, at \$17,038, and farm services, at \$15,838, were 33.8 and 25.3 percent above the national average for those categories, respectively.

This report is based on results from the Agricultural Resource Management Study (ARMS) conducted by USDA's National Agricultural Statistics Service. Producers were contacted in February through April 2004 to collect farm and ranch production and expense data.

For More Information Contact:

Farm Production Expenditures, Northern Plains and United States, 2002-2003

Expenditure - Farm Share	Northern Plains (KS, NE, ND AND SD)				United States ^{1/}			
	Average Per Farm ^{2/}		Total Expenditures		Average Per Farm ^{2/}		Total Expenditures	
	2002	2003	2002	2003	2002	2003	2002	2003
	--- Dollars ---		--- Million Dollars ---		--- Dollars ---		--- Million Dollars ---	
Total Farm Production Expenditures ^{3/ 4/}	136,169	149,057	24,170	26,070	89,722	93,785	193,100	198,900
Livestock, Poultry & Related Expenses ^{5/}	23,268	27,044	4,130	4,730	8,503	8,959	18,300	19,000
Feed	13,239	17,038	2,350	2,980	11,570	12,731	24,900	27,000
Farm Services ^{6/}	15,775	15,838	2,800	2,770	12,452	12,637	26,800	26,800
Rent ^{7/}	16,901	17,553	3,000	3,070	7,527	7,733	16,200	16,400
Agricultural Chemicals ^{8/}	6,704	6,861	1,190	1,200	3,857	3,961	8,300	8,400
Fertilizer, Lime & Soil Conditioners ^{8/}	7,662	8,176	1,360	1,430	4,461	4,715	9,600	10,000
Interest	8,113	7,204	1,440	1,260	4,879	4,385	10,500	9,300
Taxes (Real Estate & Property)	5,915	5,832	1,050	1,020	3,160	3,206	6,800	6,800
Labor	5,690	5,832	1,010	1,020	9,990	9,996	21,500	21,200
Fuels	5,521	5,889	980	1,030	3,020	3,159	6,500	6,700
Farm Supplies & Repairs ^{9/}	8,563	8,062	1,520	1,410	5,669	5,187	12,200	11,000
Farm Improvements & Construction ^{10/ 11/}	3,042	6,118	540	1,070	3,717	5,422	8,000	11,500
Tractors and Self-Propelled Farm Machinery	3,268	4,059	580	710	2,881	3,065	6,200	6,500
Other Farm Machinery	3,268	3,488	580	610	1,719	1,839	3,700	3,900
Seeds & Plants ^{12/}	6,592	6,861	1,170	1,200	4,135	4,385	8,900	9,300
Trucks & Autos	2,479	2,916	440	510	1,951	2,122	4,200	4,500

1/ Excludes AK and HI. 2/ Total expenditures divided by total number of farms. 3/ Total includes production costs not allocated to any of the 16 expense categories published. 4/ Includes landlord and contractor share of farm production expenses. 5/ Includes purchases and leasing of livestock and poultry. 6/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 7/ Includes public and private grazing fees. 8/ Includes material and application costs. 9/ 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. 10/ 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. 11/ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2003. 12/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

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