

NEWS RELEASE

Farm Production Expenditures
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2002 FARM PRODUCTION EXPENDITURES

Farm production expenditures for the Northern Plains Region totaled \$24.5 billion in 2002, down 4.6 percent from 2001, according to the North Dakota Agricultural Statistics Service. The Northern Plains Region includes North Dakota, South Dakota, Nebraska and Kansas. Nationally, farm production expenses decreased 1.9 percent from 2001. Livestock, poultry and related expenses, the largest expenditure category in the Northern Plains, decreased 5.4 percent. Fertilizer, lime and soil conditioner expenditures had one of the largest percentage drops, down 7.4 percent from last year. Nationally, fertilizer, lime and soil conditioners decreased 7.8 percent, which was also the largest relative drop. The seeds and plants expenditure was the only category in the Northern Plains that increased, up 3.7 percent. The only expenditure categories at the national level that increased were farm improvements and construction, up 2.6 percent, and seeds and plants, up 2.4 percent.

Livestock, poultry and related expenses accounted for 18.6 percent of the Northern Plains total production expenses, while rent, farm services and feed accounted for 12.1, 11.5 and 8.8 percent, respectively. The farm services includes expense items such as custom work, leasing of machinery and equipment, marketing charges, veterinary services, custom feeding, transportation costs, insurance, miscellaneous business expenses and utilities.

The average total expenditures per farm in the Northern Plains for 2002 were \$137,746, down from \$143,400 in 2001. The National average was \$88,932 per farm compared to \$90,711 in 2001. In the Northern Plains region, the livestock, poultry and related expenses category was the leading 2002 expenditure category at \$25,634 per farm, over 3 times the national average. The Northern Plains average per farm for rent, at \$16,620, was over twice the national average; farm services, at \$15,887, and feed, at \$12,169, were 28 and 7 percent above the national average for these 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 2003 to collect farm and ranch production and expense data.

FARM PRODUCTION EXPENDITURES, NORTHERN PLAINS AND UNITED STATES, 2001-2002

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	
	2001	2002	2001	2002	2001	2002	2001	2002
	--- Dollars ---		--- Million Dollars ---		--- Dollars ---		--- Million Dollars ---	
Total Farm Production Expenditures ^{3/ 4/}	143,400	137,746	25,640	24,450	90,711	88,932	195,200	191,400
Livestock, Poultry & Related Expenses ^{5/}	26,902	25,634	4,810	4,550	8,597	8,410	18,500	18,100
Feed	12,752	12,169	2,280	2,160	11,525	11,384	24,800	24,500
Farm Services ^{6/}	16,443	15,887	2,940	2,820	12,501	12,452	26,900	26,800
Rent ^{7/}	16,946	16,620	3,030	2,950	7,621	7,434	16,400	16,000
Agricultural Chemicals ^{8/}	6,376	6,085	1,140	1,080	3,996	3,810	8,600	8,200
Fertilizer, Lime & Soil Conditioners ^{9/}	8,277	7,718	1,480	1,370	4,786	4,414	10,300	9,500
Interest	8,445	7,944	1,510	1,410	5,112	4,879	11,000	10,500
Taxes (Real Estate & Property)	5,705	5,746	1,020	1,020	3,206	3,206	6,900	6,900
Labor	5,984	5,746	1,070	1,020	10,084	9,990	21,700	21,500
Fuels	5,872	5,465	1,050	970	3,114	2,927	6,700	6,300
Farm Supplies & Repairs ^{10/}	9,060	8,451	1,620	1,500	5,902	5,669	12,700	12,200
Farm Improvements & Construction ^{10/}	3,523	3,437	630	610	3,625	3,717	7,800	8,000
Tractors and Self-Propelled Farm	4,754	4,451	850	790	2,881	2,881	6,200	6,200
Other Farm Machinery	3,356	3,324	600	590	1,719	1,719	3,700	3,700
Seeds & Plants ^{11/}	6,040	6,310	1,080	1,120	3,811	3,903	8,200	8,400
Trucks & Autos	2,796	2,592	500	460	1,998	1,905	4,300	4,100

^{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 and fences, and any improvements to physical structures of land. ^{11/} Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

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