



Farm Facts



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Tennessee's Land Values and Cash Rents Rise

Tennessee's farm real estate value, including all land and buildings, averaged \$2,500 per acre as of January 1, 2003, up 6 percent from the previous year. The \$150 per acre increase in farm real estate values continued a climb that began in 1986. The overall increase followed cropland and pasture values, which rose by 2.5 and 6.3 percent, respectively, during 2002. Cropland values had been increasing by an average of 5 percent a year since 1998, representing a

slower rate of increase than previous years. The average value of cropland in the state rose \$60 to \$2,450 per acre, while the average value of pasture land rose \$150 to \$2,550 per acre, both the highest since records began in 1997. Tennessee's cropland cash rent in 2003 was up \$1.50 from last year to \$62.00 per acre. Pasture cash rent in the State increased \$.50 from last year to \$17.50 per acre.

U.S. Farm Real Estate Values Continue Strong Upward Trend

Farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$1,270 per acre as of January 1, 2003, up 5.0 percent from the previous year. The value of farm real estate increased in all States except Kansas, where values remained at 2002 levels. The \$60 per acre increase in farm real estate values continued an upward trend that began in 1987. The increase in all land and buildings followed the trend of cropland and pasture values, which rose by 4.2 and 5.1 percent, respectively, from January 1, 2002. Cropland values averaged \$1,720 per acre and pasture values averaged \$618 per acre on January 1, 2003, compared with \$1,650 and \$588 per acre, respectively, a year earlier.

Agricultural Land Values and Cash Rents: Tennessee, January 1, 1994-2003

| Year | Farm Real Estate ¹ | Cropland ² | | Pasture ² | |
|---------|-------------------------------|-----------------------|--------------------|----------------------|--------------------|
| | | Value Per Acre | Cash Rent Per Acre | Value Per Acre | Cash Rent Per Acre |
| Dollars | | | | | |
| 1994 | 1,250 | | 46.70 | | 15.20 |
| 1995 | 1,340 | | 43.00 | | 14.30 |
| 1996 | 1,530 | | 48.30 | | 13.50 |
| 1997 | 1,650 | 1,830 | 56.50 | 1,720 | 16.00 |
| 1998 | 1,810 | 1,970 | 57.00 | 1,860 | 18.00 |
| 1999 | 1,950 | 2,100 | 62.00 | 2,000 | 16.40 |
| 2000 | 2,150 | 2,240 | 60.00 | 2,240 | 18.00 |
| 2001 | 2,240 | 2,320 | 59.50 | 2,320 | 18.00 |
| 2002 | 2,350 | 2,390 | 60.50 | 2,400 | 17.00 |
| 2003 | 2,500 | 2,450 | 62.00 | 2,550 | 17.50 |

¹ Includes land and buildings.

² Cropland and pasture values published beginning with 1997.

Farm Real Estate: Average Value per Acre, Appalachian Region, by State, January 1, 1999-2003¹

| Region/State | 1999 | 2000 | 2001 | 2002 | 2003 | Change 2002-2003 |
|------------------------|--------------|--------------|--------------|---------------|--------------|------------------|
| | | | | | | Percent |
| Appalachian | 1,840 | 1,990 | 2,160 | *2,260 | 2,420 | 7.1 |
| Kentucky | 1,530 | 1,600 | 1,770 | 1,850 | 2,000 | 8.1 |
| North Carolina | 2,250 | 2,500 | 2,800 | 2,900 | 3,100 | 6.9 |
| Tennessee | 1,950 | 2,150 | 2,240 | *2,350 | 2,500 | 6.4 |
| Virginia | 2,040 | 2,200 | 2,350 | 2,490 | 2,630 | 5.6 |
| West Virginia | 1,070 | 1,150 | 1,280 | 1,370 | 1,470 | 7.3 |
| 48 States ² | 1,020 | 1,080 | 1,150 | 1,210 | 1,270 | 5.0 |

* Revised. ¹ Value of farmland and buildings. ² Excludes Alaska and Hawaii.

Cropland: Average Value per Acre, Appalachian Region, by State, January 1, 1999-2003

| Region/State | 1999 | 2000 | 2001 | 2002 | 2003 | Change 2002-2003 |
|------------------------|--------------|--------------|--------------|--------------|--------------|------------------|
| | | | | | | Percent |
| | | | Dollars | | | |
| Appalachian | 1,930 | 2,100 | 2,300 | 2,400 | 2,520 | 5.0 |
| Kentucky | 1,630 | 1,750 | 2,000 | 2,100 | 2,200 | 4.8 |
| North Carolina | 2,130 | 2,400 | 2,700 | 2,800 | 2,950 | 5.4 |
| Tennessee | 2,100 | 2,240 | 2,320 | 2,390 | 2,450 | 2.5 |
| Virginia | 1,980 | 2,150 | 2,300 | 2,450 | 2,650 | 8.2 |
| West Virginia | 1,570 | 1,600 | 1,700 | *1,850 | 2,000 | 8.1 |
| 48 States ¹ | 1,410 | 1,490 | 1,580 | 1,650 | 1,720 | 4.2 |

* Revised. ¹ Excludes Alaska and Hawaii.

Pasture: Average Value per Acre, Appalachian Region, by State, January 1, 1999-2003

| Region/State | 1999 | 2000 | 2001 | 2002 | 2003 | Change 2002-2003 |
|------------------------|--------------|--------------|--------------|---------------|--------------|------------------|
| | | | | | | Percent |
| | | | Dollars | | | |
| Appalachian | 1,700 | 1,810 | 1,910 | *2,010 | 2,140 | 6.5 |
| Kentucky | 1,400 | 1,400 | 1,450 | 1,500 | 1,600 | 6.7 |
| North Carolina | 2,270 | 2,400 | 2,600 | *2,800 | 3,000 | 7.1 |
| Tennessee | 2,000 | 2,240 | 2,320 | *2,400 | 2,550 | 6.3 |
| Virginia | 1,900 | 2,050 | 2,200 | 2,350 | 2,500 | 6.4 |
| West Virginia | 825 | 900 | 960 | *1,050 | 1,150 | 9.5 |
| 48 States ¹ | 503 | 524 | 558 | *588 | 618 | 5.1 |

* Revised. ¹ Excludes Alaska and Hawaii.

2003 U. S. Cropland Cash Rents Up 2 Percent, Pasture Rents Down 2 Percent

Cash rents paid to landlords for agricultural real estate in the U.S. were mixed during the 2003 crop year. Cropland cash rents paid in 2003 increased 2 percent from a year earlier, advancing to \$73.00 per acre, compared with a revised \$71.60 per acre for 2002. However, pasture cash rents dropped 2 percent, from \$9.20 per acre in 2002 to \$9.00 per acre in 2003.

The increase in cropland rental rates was modest, reflecting producers' attitudes toward the combination of slightly reduced production levels of major U.S. crops in 2002 along with higher, though still historically low, commodity prices. The Corn Belt and Northern Plains regions, which together account for nearly one half of cash rented cropland acreage, both increased 2 percent from 2002. Cropland cash rents increased \$2.00 per acre, averaging \$110.00 in the Corn Belt, and increased \$1.00 per acre, to \$48.00, in the Northern Plains. Overall, cropland rental rates increased in 8 of the 10 regions, while rental rates in the Southeast region fell 2 percent to \$44.00 per acre. Rental rates in the Pacific region remained unchanged at \$180.00 per acre.

Pasture cash rents reflected the drought-reduced forage production of pastures and range lands in major livestock-grazing States. Shifts in cash rented acreages from higher valued regions to lower valued regions also contributed to lower U.S. pasture cash rents, despite per acre increases in 5 of the 10 regions and no change in 2 of the remaining 5 regions. Pasture cash rents fell in the Delta, Mountain, and Pacific regions, and were unchanged in the Corn Belt and Appalachian regions.

U.S. Production Expenditures Down 1.9 Percent in 2002

U.S. farm production expenditures totaled \$191.4 billion in 2002, down 1.9 percent from the revised 2001 total of \$195.2 billion. The largest contributors to the decrease were fertilizer, lime & soil conditioners, down 7.8 percent; fuels, down 6.0 percent; agricultural chemicals, down 4.7 percent; farm supplies & repairs, down 3.9 percent; rent, down 2.4 percent; and livestock and poultry purchases, down 2.2 percent. The only expenditure categories that showed increases were farm improvements & construction, up 2.6 percent, and seeds & plants, up 2.4 percent. The largest two expenditure categories were farm services, which accounted for 14.0 percent of the U.S. total production expenses, and feed, which accounted for 12.8 percent of the U.S. total. 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 2002 were \$88,932, compared to \$90,711 as revised for 2001. On the average, U.S. farm operations in 2002 spent \$12,452 on farm services; \$11,384 on feed; \$9,990 on labor; \$8,410 on livestock and poultry purchases; and \$7,434 on rent. Revised estimates for 2001 indicated that U.S. farms spent an average of \$12,501 on farm services; \$11,525 on feed; \$10,084 on labor; \$8,597 on livestock and poultry purchases; and \$7,621 on rent.

Expenditures by Farm Production Region reveal that fertilizer and fuels expenditure categories were down in each region, while the other expenditure categories showed more variation across regions. The Farm Production Region contributing most to the total 2002 U.S. farm production expenditures was the Corn Belt, with expenses of \$35.3 billion, 18.5 percent of the U.S. total.

Farm Production Expenditures: Major Input Items, Farms Reporting, Average per Farm and Total, Appalachian Region¹, 2001 - 2002

| Expenditure - Farm Share | Farms Reporting ² | | Average Per Farm ³ | | Total Expenditures | |
|--|------------------------------|-------|-------------------------------|--------|--------------------|--------|
| | 2001 | 2002 | 2001 | 2002 | 2001 | 2002 |
| | Percent | | Dollars | | Million Dollars | |
| Total Farm Production Expenditures ^{4 5} | 100.0 | 100.0 | 45,386 | 45,977 | 13,820 | 14,000 |
| Livestock, Poultry & Related Expenses ⁶ | 27.0 | 28.5 | 4,893 | 4,729 | 1,490 | 1,440 |
| Feed | 63.1 | 68.8 | 8,998 | 9,031 | 2,740 | 2,750 |
| Farm Services ⁷ | 94.7 | 96.8 | 5,353 | 5,517 | 1,630 | 1,680 |
| Rent ⁸ | 24.1 | 25.3 | 2,463 | 2,496 | 750 | 760 |
| Agricultural Chemicals ⁹ | 48.1 | 42.9 | 1,544 | 1,511 | 470 | 460 |
| Fertilizer, Lime, Soil Conditioners ⁹ | 76.2 | 66.2 | 2,397 | 2,332 | 730 | 710 |
| Interest | 26.4 | 34.1 | 2,069 | 2,102 | 630 | 640 |
| Taxes (Real Estate & Property) | 99.7 | 98.4 | 1,215 | 1,248 | 370 | 380 |
| Labor | 43.5 | 39.1 | 4,138 | 4,302 | 1,260 | 1,310 |
| Fuels | 84.3 | 91.1 | 1,642 | 1,609 | 500 | 490 |
| Farm Supplies & Repairs ¹⁰ | 82.9 | 89.2 | 2,562 | 2,627 | 780 | 800 |
| Farm Improvements & Construction ¹¹ | 50.9 | 49.4 | 2,102 | 2,135 | 640 | 650 |
| Tractors and Self- Propelled Farm | 14.3 | 11.8 | 1,970 | 2,069 | 600 | 630 |
| Other Farm Machinery | 20.1 | 18.3 | 985 | 1,018 | 300 | 310 |
| Seed & Plants ¹² | 42.1 | 41.6 | 1,346 | 1,478 | 410 | 450 |
| Trucks and Autos | 14.1 | 13.8 | 1,576 | 1,609 | 480 | 490 |

¹ Appalachian Regions consists of KY, NC, TN, VA, WV. ² Number of farms reporting item divided by total number of farms. 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 public and private 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 treatment.

U.S. Slaughter: Commercial red meat production for the United States totaled 3.95 billion pounds in June, a new record high for the month, up 4 percent from the 3.81 billion pounds produced in June 2002. Cattle slaughter totaled 3.25 million head, up 6 percent from June 2002. The average live weight was down 19 pounds from the previous year, at 1,217 pounds. Calf slaughter totaled 74,000 head, down 3 percent from June 2002. The average live weight was 17 pounds above last year, at 336 pounds. Hog kill totaled 7.75 million head, 3 percent above June 2002. The average live weight was 1 pound above the previous year, at 266 pounds. Sheep slaughter totaled 229,000 head, 1 percent below last year. The average live weight was 132 pounds, up 1 pound from June a year ago.

Livestock Slaughter¹: United States, June 2002 and 2003

| Species | Number Slaughtered | | Total Live Weight | | Average Live Weight | |
|---------------|--------------------|-------|-------------------|-----------|---------------------|-------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| | 1,000 Head | | 1,000 Pounds | | Pounds | |
| Cattle | 3,062 | 3,249 | 3,784,155 | 3,954,977 | 1,236 | 1,217 |
| Calves | 76 | 74 | 24,286 | 24,859 | 319 | 336 |
| Hogs | 7,531 | 7,747 | 1,995,607 | 2,058,604 | 265 | 266 |
| Sheep & lambs | 231 | 229 | 30,192 | 30,313 | 131 | 132 |

¹ Includes slaughter under Federal inspection and other commercial slaughter (excludes farm slaughter).

June Egg Production Down 1 Percent: U.S. egg production totaled 7.05 billion during June 2003, down 1 percent from last year. Production included 5.98 billion table eggs and 1.08 billion hatching eggs, of which 1.02 billion were broiler-type and 60.0 million were egg-type. The total number of layers during June 2003 averaged 332 million, down 1 percent from a year earlier. June egg production per 100 layers was 2,122 eggs, down slightly from June 2002.

Layers and Eggs: Layers on Hand and Eggs Produced by State and United States, During June 2002 and 2003 for Selected States

| Selected States | Table Egg Layers in Flocks 30,000 or more | | All Layers ¹ | | Eggs per 100 for All Layers ¹ | |
|-------------------------------|---|---------|-------------------------|---------|--|-------|
| | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 |
| | Thousands | | | | Number | |
| Alabama | 2,230 | 2,004 | 10,178 | 9,620 | 1,818 | 1,861 |
| Arkansas | 4,630 | 4,347 | 14,949 | 15,268 | 1,860 | 1,821 |
| Georgia | 10,155 | 10,996 | 19,973 | 20,554 | 1,968 | 1,980 |
| North Carolina | 3,132 | 3,301 | 11,062 | 10,869 | 1,871 | 1,951 |
| All Other States ² | 248,984 | 246,404 | 279,250 | 276,106 | 2,171 | 2,165 |
| United States | 269,131 | 267,052 | 335,412 | 332,417 | 2,125 | 2,122 |

¹ Includes all layers and eggs produced in both table egg and hatching egg flocks regardless of size. ² Tennessee included in other states.