



NEWS RELEASE

NATIONAL AGRICULTURAL STATISTICS SERVICE
United States Department of Agriculture • Washington, DC 20250
Ag Statistics Hotline: (800) 727-9540 • www.nass.usda.gov



Contact: Ellen Dougherty, (202) 690-8122
Richard Barton, (202) 690-1502

Farm Production Expenditures Hit Record High in 2007, USDA Reports

Washington, Aug. 7, 2008 – The rising cost of fuel and other products helped drive U.S. farm production expenditures to a record \$260 billion in 2007, according to the *Farm Production Expenditures 2007* summary released today by the U.S. Department of Agriculture’s National Agricultural Statistics Service (NASS). Total U.S. farm production expenditures rose 9.3 percent from 2006 and nearly 30 percent from 5 years ago.

Increasing petroleum costs meant farmers not only paid more for fuel, but also for fertilizer products, chemicals and transportation services. Indirectly, fuel prices and the growth in ethanol production also led to higher crop prices, resulting in increased cost for livestock feed.

The NASS report shows that the average production expenditures per farm increased 10 percent nationwide, from \$114,186 in 2006 to \$125,648 in 2007. On average, U.S. farm expenditures for fertilizer, lime and soil jumped 26 percent to \$8,070; feed costs rose 22 percent to \$18,412; fuel costs increased by 15 percent to \$6,137; and agricultural chemicals climbed 12 percent to \$4,832.

In total, U.S. producers spent \$12.7 billion on fuel, including \$7.71 billion for diesel, up 15 percent; \$2.74 billion for gasoline, up 16 percent; \$1.5 billion for LP gas, up 17 percent; and \$750 million for other fuels, up 4.2 percent.

The *Farm Production Expenditures* summary provides the official estimates for production input costs on U.S. agricultural operations. These estimates are based on the results of the nationwide Agricultural Resource Management Survey conducted annually by NASS. The *Farm Production Expenditures* summary and all NASS reports are available online at www.nass.usda.gov.

###