



Farm Production Expenditures

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Cooperating with the Oklahoma Department of Agriculture, Food and Forestry and Texas Department of Agriculture

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Texas farm production expenditures totaled \$25.9 billion in 2017, an increase of nearly \$2 billion from 2016. Livestock and poultry purchase expenses, which make up the largest portion, declined 4.6 percent from the year earlier to \$5.4 billion. Feed expense was the second highest expense category at \$4.4 billion, down \$160 million from 2016. Farm services made up 12.1 percent of the total, and labor expenses were 7.8 percent. The average total production expenditures for a Texas farm was \$107,875, an increase of 9.0 percent from 2016.

Total production expenses for the **Plains Region** (ND, SD, NE, KS, OK, and TX) totaled \$93.7 billion in 2017, up \$4.6 billion from 2016. Livestock and poultry purchase expenses made up the largest portion of the total at \$21.5 billion, up 2.7 percent from the year earlier. Feed expense increased \$630 million in 2017 to just over \$12 billion. The average total production expenditure per farm in the Plains Region was \$193,074 up 5.9 percent from 2016.

Farm Production Expenditures by Farms Reporting, Average per Farm, and Total – Texas: 2016-2017

[For definitions of terms used in this table, see Terms and Definitions at the end. Totals may not add due to rounding.]

Expense Item	Farms Reporting		Average per Farm		Total Expenditures	
	2016	2017	2016	2017	2016	2017
	(percent)		(dollars)		(million dollars)	
Livestock, poultry and related expenses	22.0	27.3	23,478	22,542	5,670	5,410
Feed	78.2	71.5	18,882	18,333	4,560	4,400
Farm services	90.0	86.4	11,387	13,000	2,750	3,120
Rent	22.3	19.7	4,306	4,708	1,040	1,130
Agricultural chemicals	33.9	26.7	2,484	2,917	600	700
Fertilizer, lime, and soil conditioners	34.3	32.8	3,768	4,292	910	1,030
Interest	17.4	16.6	1,739	1,708	420	410
Taxes	100.0	100.0	3,892	4,333	940	1,040
Labor	25.4	26.9	7,619	8,417	1,840	2,020
Fuel	83.8	79.5	3,271	3,750	790	900
Farm supplies and repairs	78.1	73.6	3,851	4,500	930	1,080
Farm improvements and construction	42.7	40.9	3,478	5,375	840	1,290
Tractors and self-propelled farm machinery	11.5	12.1	3,810	5,708	920	1,370
Other farm machinery	12.1	7.8	911	1,333	220	320
Seeds and plants	17.6	20.8	3,685	3,958	890	950
Trucks and autos	9.3	11.5	2,070	2,625	500	630
Miscellaneous capital expenses	4.3	4.5	331	375	80	90
Total farm production expenditures	100.0	100.0	98,965	107,875	23,900	25,890

Farm Production Expenditures by Farms Reporting, Average per Farm, and Total – Plains Region: 2016-2017

[For definitions of terms used in this table, see at the end. Totals may not add due to rounding. Plains Region includes Kansas, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas.]

Expense Item	Farms Reporting		Average per Farm		Total Expenditures	
	2016	2017	2016	2017	2016	2017
	(percent)		(dollars)		(million dollars)	
Livestock, poultry and related expenses	25.5	29.6	42,772	44,238	20,890	21,460
Feed	65.7	63.6	23,342	24,799	11,400	12,030
Farm services	91.0	89.4	18,939	19,563	9,250	9,490
Rent	33.2	30.4	16,810	16,801	8,210	8,150
Agricultural chemicals	43.8	38.9	7,514	7,875	3,670	3,820
Fertilizer, lime, and soil conditioners	42.5	40.9	11,732	11,029	5,730	5,350
Interest	31.7	31.0	4,648	4,968	2,270	2,410
Taxes	100.0	100.0	7,125	8,637	3,480	4,190
Labor	26.3	26.4	8,190	8,555	4,000	4,150
Fuel	82.4	81.1	5,672	6,226	2,770	3,020
Farm supplies and repairs	78.7	78.0	7,719	8,452	3,770	4,100
Farm improvements and construction	48.3	46.6	5,958	7,442	2,910	3,610
Tractors and self-propelled farm machinery	13.6	12.6	6,245	7,380	3,050	3,580
Other farm machinery	15.1	12.3	2,375	2,886	1,160	1,400
Seeds and plants	29.3	32.9	10,258	10,513	5,010	5,100
Trucks and autos	14.1	15.4	2,580	3,340	1,260	1,620
Miscellaneous capital expenses	6.1	5.9	450	371	220	180
Total farm production expenditures	100.0	100.0	182,330	193,074	89,050	93,660

Terms and Definitions

Agricultural chemicals: This expense line item includes material and application costs.

Average per farm: The average per farm is computed by dividing the line-item total expense by the total number of farms at that level (United States, region, type, economic class, or state).

Expense line items: All expense line items include the operator, landlord, and contractor shares of farm production expenses.

Farm improvements and construction: 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.

Farm services: This is a summation of all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, utilities, general expenses, and miscellaneous business expenses.

Farm supplies and repairs: This expense includes bedding/litter, marketing containers, power farm-shop equipment, oils and lubricants, temporary fencing, miscellaneous non-capital equipment and supplies, repairs and maintenance of equipment not depreciated, and other small, non-capital equipment.

Livestock, poultry, and related expenses: This line item includes purchases and leasing of livestock and poultry. Intra-state and inter-state transfers of livestock are captured.

Miscellaneous capital expenses: Expenditures for depreciable capital purchases that are excluded from into the defined expense categories of farm improvements and construction, trucks and autos, tractors and self-propelled equipment, and other farm machinery.

Rent: Rent includes cash rent paid, share rent, plus public and private grazing fees.

Seeds and plants: All purchases of seed, plants, or seed treatments for nursery and farming operation are included. Bedding plants, nursery stock, and seed purchased for resale are excluded.

Taxes: This expense is the sum of real estate taxes and personal property taxes for operator, landlord, and contractor.

Agriculture Resource Management Survey – Results

This report contains the results from the 2017 Agricultural Resource Management Survey (ARMS Phase 3) conducted January through April of 2018. Estimates for the Southern Plains region were made possible by data provided by respondents in Oklahoma and Texas. Our thanks to all who responded to ARMS Phase 3.

ARMS Phase 3 covers a population of all farms in the 48 contiguous states (excluding Alaska and Hawaii) that meet the official USDA definition (all establishments that sold or would normally have sold at least \$1,000 of agricultural products during the previous year). These operations include not only traditional agricultural farms such as grain farms and ranching operations, but also specialty farms like orchards, nurseries, and aquaculture.

To ensure consistent and proper execution of survey procedures in farm determination, data collection, and editing of detailed expense, income data, and demographic data, specialized training occurred on the national and state levels prior to the ARMS data collection period. Data are collected using electronic data reporting (EDR), mail return, and personal enumeration. The 2017 sample for the U.S. was 34,598 farms and ranches.

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