



# NEWS RELEASE

United States Department of Agriculture  
NATIONAL AGRICULTURAL STATISTICS SERVICE  
NEW ENGLAND FIELD OFFICE  
53 Pleasant St., Concord, NH 03301



FOR IMMEDIATE RELEASE  
August, 2009

Contact: Jennifer Zaleski  
(603) 227-3136

## **Rise of U.S. Farm Production Expenditures Slows in 2008 Fertilizer Prices and Weather Impact Farm Production Expenditures**

U.S. Farm Production Expenditures totaled \$307 billion in 2008 and \$284 billion for the revised 2007 crop year. The 2008 Total Farm Expenditures rose 8.3 percent compared to the 2007 rise of 19.2 percent over 2006. The 2007 revised estimate is up from the preliminary estimate by \$23.5 billion due to significant adjustments based on 2007 Census farm numbers.

Rising fertilizer prices and weather were two large factors affecting farm production expenditures, during the year. Fertilizer, up 27.1 percent over previous year, was the fastest expanding non-capital expense. The increased cost of crude oil continued to drive up the cost of several production inputs in 2008. This directly translated into rising fuel cost, and influenced fertilizer products, chemicals, and transportation costs.

Total Fuels Expense, at \$16.0 billion dollars, was up 18.5 percent in 2008. Diesel, the largest sub-component, was \$9.86 billion accounting for 61.6 percent of the Fuels Expense. Gasoline was \$3.01 billion, up 7.9 percent. LP Gas was \$2.03 billion, up 23.0 percent. Other Fuels was \$1.10 billion, up 27.9 percent.

In 2008, the average per farm U.S. Total Farm Expenditure was \$140,075 compared with \$129,062, an increase of 8.5 percent over 2007. On average, U.S. farm operations spent: \$21,398 on Feed, \$17,337 on Farm Services, \$13,550 on Labor, \$12,912 on Livestock and Poultry Purchases, \$10,265 on Fertilizer, Lime, and Soil Conditioners, and \$10,220 on Rent. Revised estimates for 2007 indicate

U.S. farms spent an average of: \$19,073 on Feed, \$16,752 on Farm Services, \$15,022 on Livestock and Poultry Purchases, \$13,019 on Labor, and \$8,968 on Rent.

The Atlantic farm production region (New England, New York, New Jersey, Pennsylvania, Maryland, Delaware, Kentucky, North Carolina, Tennessee, Virginia, and West Virginia) contributed \$39.0 billion to the total 2008 U.S. Farm Production Expenditures. The top five expenditures in 2008 were: Feed at \$8.270 billion; Farm Services (Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities) at \$4.790 billion; Labor at \$4.110 billion; Livestock, Poultry and Related Expenses at \$3.030 billion; Farm Improvements and Construction at \$2.620 billion. These five categories have been the top five expenditures for the Atlantic region since 2004.