

2008 FARM PRODUCTION EXPENDITURES

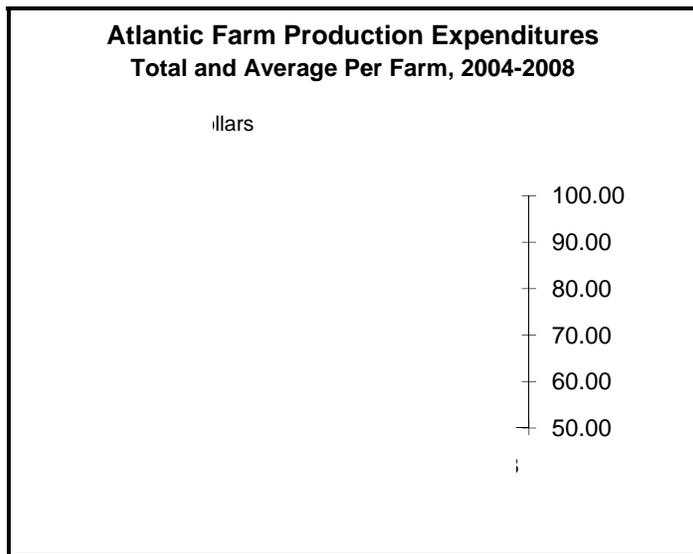
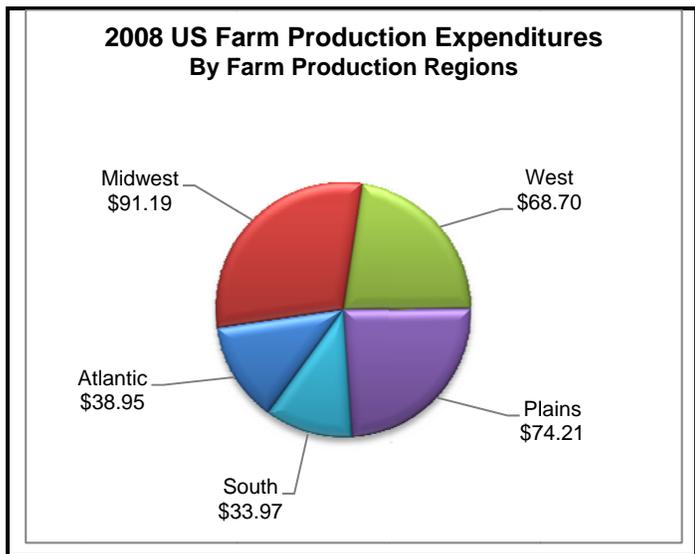
United States farm production expenditures totaled \$307 billion in 2008 and \$284 billion for the revised 2007 crop year. The 2008 Total Farm Expenditures rose 8.3 percent compared to the 2007 rise of 19.2 percent over 2006. The 2007 revised estimate is up from the preliminary estimate by \$23.5 billion 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 million; 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 million; Labor at \$4,110 million; Livestock, Poultry and Related Expenses at \$3,030 million; Farm Improvements and Construction at \$2,620 million. These five categories have been the top five expenditures for the Atlantic region since 2004.



Atlantic: CT, DE, KY, ME, MD, MA, NH, NC, NJ, NY, PA, RI, TN, VA, VT, WV

Midwest: IL, IN, IA, MI, MN, MO, OH, WI

West: AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY

Plains: KS, NE, ND, OK, SD, TX

South: AL, AR, FL, GA, LA, MS, SC



Photo courtesy of Sunkhaze Farm, Old Town, ME

ANNUAL FARM PRODUCTION EXPENDITURES: Farms Reporting, Average per Farm and Total, Atlantic and United States, 2007 – 2008^{1 2}

Expenditure	Farms Reporting ³		Average per Farm ⁴		Total Expenditures	
	2007	2008	2007	2008	2007	2008
	Percent		Dollars		Million Dollars	
ATLANTIC						
Total Farm Production Expenditures⁵	100.0	100.0	80,292	87,446	35,880	38,950
Livestock, Poultry and Related Expenses ⁶	23.4	25.5	6,512	6,803	2,910	3,030
Feed	67.0	64.5	15,060	18,567	6,730	8,270
Farm Services ⁷	95.3	95.9	10,025	10,754	4,480	4,790
Rent ⁸	20.7	19.6	2,372	2,514	1,060	1,120
Agricultural Chemicals ⁹	37.8	39.3	2,193	2,178	980	970
Fertilizer, Lime and Soil Conditioners ⁹	53.5	57.3	3,625	4,692	1,620	2,090
Interest	32.9	31.9	3,357	3,345	1,500	1,490
Taxes (Real Estate and Property)	100.0	100.0	3,580	4,131	1,600	1,840
Labor	29.6	26.8	9,846	9,227	4,400	4,110
Fuels	86.7	91.3	3,939	4,445	1,760	1,980
Farm Supplies and Repairs ¹⁰	86.3	89.7	5,236	4,894	2,340	2,180
Farm Improvements and Construction ¹¹	58.3	56.5	6,154	5,882	2,750	2,620
Tractors and Self-Propelled Farm Machinery	18.1	17.7	2,283	3,031	1,020	1,350
Other Farm Machinery	21.7	23.4	1,343	1,751	600	780
Seeds and Plants ¹²	40.0	44.6	3,446	3,839	1,540	1,710
Trucks and Autos	15.0	16.5	1,208	1,302	540	580
Miscellaneous Capital Expenses ¹³	7.7	6.5	112	90	50	40
UNITED STATES						
Total Farm Production Expenditures⁵	100.0	100.0	129,062	140,075	283,520	307,020
Livestock, Poultry and Related Expenses ⁶	25.1	25.9	15,022	12,912	33,000	28,300
Feed	60.9	59.4	19,073	21,398	41,900	46,900
Farm Services ⁷	93.3	93.3	16,752	17,337	36,800	38,000
Rent ⁸	28.8	28.2	8,968	10,220	19,700	22,400
Agricultural Chemicals ⁹	45.9	45.7	4,780	5,338	10,500	11,700
Fertilizer, Lime and Soil Conditioners ⁹	51.7	51.0	8,057	10,265	17,700	22,500
Interest	38.1	38.1	5,508	5,475	12,100	12,000
Taxes (Real Estate and Property)	99.7	99.7	4,689	4,882	10,300	10,700
Labor	32.3	30.8	13,019	13,550	28,600	29,700
Fuels	80.2	85.1	6,145	7,300	13,500	16,000
Farm Supplies and Repairs ¹⁰	79.5	82.7	6,874	7,254	15,100	15,900
Farm Improvements and Construction ¹¹	53.6	55.7	6,419	7,209	14,100	15,800
Tractors and Self-Propelled Farm Machinery	22.3	22.9	3,915	5,201	8,600	11,400
Other Farm Machinery	23.7	25.4	2,003	2,692	4,400	5,900
Seeds and Plants ¹²	39.2	41.1	5,736	6,889	12,600	15,100

Trucks and Autos	21.9	23.0	2,003	2,053	4,400	4,500
Miscellaneous Capital Expenses ¹³	14.9	13.1	100	100	220	220

¹ Atlantic consists of Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Virginia, Vermont and West Virginia.

² Excludes Alaska and Hawaii.

³ Number of farms reporting item divided by total number of farms.

⁴ Total expenditures divided by total number of farms. Items may not sum to total due to rounding.

⁵ Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding.

⁶ Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last three years to better identify cattle farm records where not all livestock are owned. These "custom feeding" operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors.

⁷ 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.

⁸ Includes public and private grazing fees.

⁹ Includes material and application costs.

¹⁰ Includes bedding and litter, marketing containers, power farm shop equipment, oils and lubricants, 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 building, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land.

¹² Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

¹³ A zero in this line-item denotes less than 5 million dollars. Average value derived from expenditure rounding to zero will also be zero.

SOURCE: *Farm Production Expenditures – 2008 Summary*, 3:00 p.m., August 6, 2009, National Agricultural Statistics Service, USDA.