

2005 FARM PRODUCTION EXPENDITURES

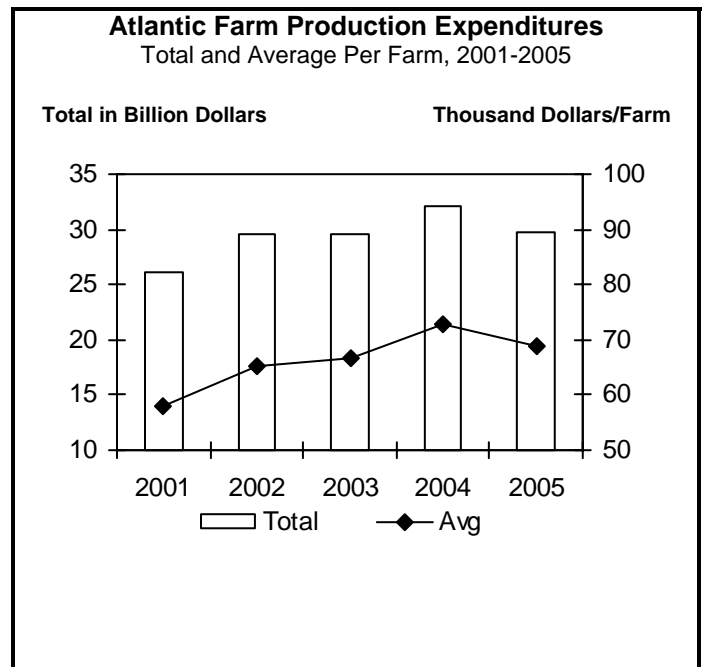
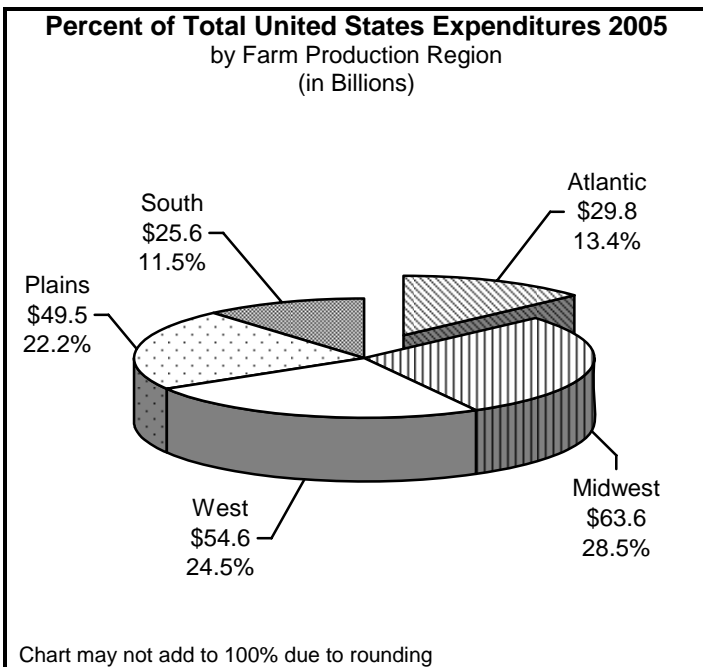
United States farm production expenditures totaled \$223.1 billion in 2005, up 5.3 percent from the revised 2004 total of \$211.8 billion. The largest contributors to the increase were fuels up 26.3 percent, real estate and property taxes up 14.3 percent, fertilizer, lime, and soil conditioners up 12.3 percent, livestock, poultry purchases up 11.4 percent, farm services up 9.7 percent and interest up 9.0 percent. Feed, other farm machinery, tractors and self-propelled machinery, and trucks and autos expenditures were the only expenditures that decreased. These expenditures were down 5.1 percent, 4.7 percent, 2.3 percent, and 2.1 percent respectively. The two largest expenditure categories were farm services, which accounted for 13.2 percent of the U.S. total production expenses and feed, with 12.6 percent of the United States total production expenses. The farm service category includes expense items such as custom work, utilities, marketing charges, veterinary services, transportation cost, and general business expenses.

The rise in fuel expenditures was expected given the 2005 rise in crude oil prices and increased global demand for oil. Hurricane damage had a large influence on fuel prices and supply this year. Higher crude oil prices pressured the cost of

fuel, fertilizer, chemicals, and transportation. Other upward influences on farm expenditures were biotech seed costs, increased broiler chick price, alfalfa winterkill in the upper Midwest requiring greater forage purchases, higher prices for dairy replacement females, and repairs caused by storm damage in the South and Plains.

Some of the influences that depressed farm expenditure indications this year were: Hurricane Katrina's closing of the major grain port, generally lower prices for feed grains, rain in some states increased home-grown feed inventories, low or no interest loans for machinery and trucks, lower corn and soybean planted acres in some states, increased number of organic operations in the Northeast, lower animal production in some states, and the high volume of machinery purchased in 2004.

The average United States total farm expenditure in 2005 was \$106,499, compared to \$100,498 as revised for 2004. On the average, United States' farm operations in 2005 spent \$13,462 on feed; \$14,034 on farm services; \$11,361 on labor; \$10,216 on livestock and poultry purchases; and \$8,163 on rent.



- 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



**ANNUAL FARM PRODUCTION EXPENDITURES: Major Input Items, Average per Farm and Total
Atlantic ^{1/} and United States, ^{2/} 2004 – 2005**

Expenditure - Farm Share	Farms Reporting ^{3/}		Average per Farm ^{4/}		Total Expenditures	
	2004	2005	2004	2005	2004	2005
ATLANTIC	Percent		Dollars		Million Dollars	
Total Farm Production Expenditures ^{5/ 6/}	100.0	100.0	72,912	69,045	31,870	29,810
Livestock, Poultry and Related Expenses ^{7/}	28.9	29.0	5,971	5,976	2,610	2,580
Feed	68.3	66.6	13,818	12,137	6,040	5,240
Farm Services ^{8/}	97.5	94.8	8,602	8,361	3,760	3,610
Rent ^{9/}	23.3	22.1	2,379	2,386	1,040	1,030
Agricultural Chemicals ^{10/}	46.3	41.8	1,945	1,899	850	820
Fertilizer, Lime and Soil Conditioners ^{10/}	59.9	54.9	2,722	2,988	1,190	1,290
Interest	36.4	36.5	2,517	2,525	1,100	1,090
Taxes (Real Estate and Property) ^{11/}	99.5	100.0	2,288	2,803	1,000	1,210
Labor	35.6	33.2	8,259	7,435	3,610	3,210
Fuels	91.4	84.9	2,677	3,080	1,170	1,330
Farm Supplies and Repairs ^{12/}	88.8	87.3	4,919	4,447	2,150	1,920
Farm Improvements and Construction ^{13/ 14/}	63.1	60.1	6,566	6,277	2,870	2,710
Tractors and Self-Propelled Farm Machinery	17.3	14.9	3,432	2,501	1,500	1,080
Other Farm Machinery	23.9	26.2	1,624	1,459	710	630
Seeds and Plants ^{15/}	47.4	42.2	2,814	2,710	1,230	1,170
Trucks and Autos	18.3	19.3	1,990	1,714	870	740
UNITED STATES						
Total Farm Production Expenditures ^{5/ 6/}	100.0	100.0	100,498	106,499	211,800	223,100
Livestock, Poultry and Related Expenses ^{7/}	26.5	26.6	9,110	10,216	19,200	21,400
Feed	62.2	60.9	14,093	13,462	29,700	28,200
Farm Services ^{8/}	95.6	94.7	12,716	14,034	26,800	29,400
Rent ^{9/}	31.5	31.9	7,877	8,163	16,600	17,100
Agricultural Chemicals ^{10/}	48.8	48.0	4,081	4,249	8,600	8,900
Fertilizer, Lime and Soil Conditioners ^{10/}	57.8	53.5	5,409	6,110	11,400	12,800
Interest	39.7	40.8	4,223	4,630	8,900	9,700
Taxes (Real Estate and Property) ^{11/}	98.8	99.7	3,321	3,819	7,000	8,000
Labor	34.6	34.8	11,056	11,361	23,300	23,800
Fuels	85.6	83.3	3,796	4,821	8,000	10,100
Farm Supplies and Repairs ^{12/}	84.8	83.7	5,504	5,967	11,600	12,500
Farm Improvements and Construction ^{13/ 14/}	59.5	57.3	5,979	6,110	12,600	12,800
Tractors and Self-Propelled Farm Machinery	23.3	24.9	4,128	4,058	8,700	8,500
Other Farm Machinery	28.2	29.2	2,040	1,957	4,300	4,100
Seeds and Plants ^{15/}	45.7	42.5	4,555	4,965	9,600	10,400
Trucks and Autos	24.2	25.2	2,278	2,244	4,800	4,700

^{1/} 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.

^{5/} Total includes miscellaneous production expenses not allocated to any of the 16 expense categories published. Therefore, the sum of individual expenditure items will not add to totals.

^{6/} Includes landlord and contractor share of farm production expenses.

^{7/} Includes purchases and leasing of livestock and poultry.

^{8/} Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses and utilities.

^{9/} Includes public and private grazing fees.

^{10/} Includes material and application costs.

^{11/} Landlord taxes were imputed at a higher rate starting in 2005, accounting for some of the increase between the 2004 and 2005 taxes estimates.

^{12/} 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.

^{13/} 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.

^{14/} Changed in 2003 to include operator dwelling expenses (if dwelling is owned by operation).

^{15/} Excludes bedding plants, nursery stock, and seed purchased for resale and includes seed treatment.