

Fuel, repairs, and other operating costs for motor vehicles and farm machinery.—Operating costs for motor vehicles and farm machinery amounted to more than \$1,000 per commercial farm and comprised nearly 15 percent of the total farm expenses in 1955. This proportion ranged from 22 percent on cash-grain farms to only 6 percent on poultry farms. Two types of farms, cash-grain and livestock farms other than dairy and poultry accounted for more than a third each of the total expenditure for operating costs.

For each type of farm the operating costs were a greater proportion of the total expenses on the smaller economic classes of farms than on the larger ones. The data are influenced by the inclusion of fuel and upkeep for the family automobile, an item found on most farms in 1955. Operating costs for automobiles would tend to be greater, relative to other machinery expenses for the smaller farms than for the larger ones. However, the data are probably indicative of the problems encountered by many operators of small farms in utilizing machinery efficiently. In general, they have lagged behind the operators of larger farms in their use of machinery. But even at their present levels of mechanization the smaller farms spent more proportionately for operation of machinery than the larger ones.

Marketing costs.—These amounted to only 5 percent of the total farm expenses for commercial farms as a group. Marketing costs were a more important expense item for vegetable farms and fruit-and-nut farms than other types. These costs comprised 18 percent and 15 percent, respectively, of the total farm expenses. Cotton farmers also had relatively high marketing costs amounting to 8 percent of all expenditures.

Miscellaneous farm operating expenses.—These include a number of expense items not included elsewhere. The major items are expenses for medicine and disinfectants, pesticides, electricity, telephone service, insurance, hand tools, and miscellaneous farm business expenses (management services, recordkeeping, legal fees, advertising expenses, etc.).

These expenses comprised 7 percent of the total cash farm expenses in 1955 for commercial farms as a group. They were a fairly constant proportion of the total expenses for most types ranging from a high of 11 percent on fruit-and-nut farms to a low of 4 percent on vegetable farms.

Property taxes and interest.—About 6 percent of the total cash expenses of commercial farmers were for these expenses. There was small variation between the types and economic classes of farms in this respect.

Capital expenditures.—The total expenditures for 1955 included two items of capital expenditure: (1) Payment for construction and land improvement and (2) purchase of motor vehicles and farm machinery. These items are not generally included in current farm operating expenses. Their costs are more properly spread over a period of years.

The capital expenditure items are included here with the total cash expenses, largely as a matter of convenience. However, the purchase of capital equipment is largely for replacement of existing equipment. It is probable that the total cash outlay for capital equipment by farmers in any one year approximates the cost that might be attributed to depreciation of all capital equipment on farms for the 1-year period. It is an overstatement of depreciation to the extent that these purchases represent an increase in the total investment of farmers.

The cost for construction and land improvements made up about 5 percent of the total cash expenses of commercial farmers. This was a fairly constant proportion of the total expenses for

each type of farm. The proportion of total expenses that were for construction and land improvement was slightly greater on the smaller than on the larger economic classes for most types of farms.

The purchase of motor vehicles and farm machinery was one of the largest cash expenses of commercial farmers in 1955, comprising 13 percent of the total cash expenses. This expense varied considerably by type of farm. It amounted to a fifth of the total expenses of cash-grain farmers and was the largest single expense. Each type of farm reported 10 percent or more of the total cash expenses for purchase of motor vehicles and farm machinery except vegetable farms and poultry farms.

The proportion of total expenses that went for purchase of motor vehicles and farm machinery was much greater on the smaller economic classes of farms than on the larger ones—half again to twice as much for most types of farms.

Total Motor Vehicle and Machinery Expenses

When the costs for purchase of motor vehicles and farm machinery are added to the expenses for fuel, repairs, and other operating costs, it is apparent that these comprised the major cash expenditure of commercial farmers in 1955. The expenses for purchase and operation of motor vehicles and farm machinery are shown as a proportion of the total cash expenses in table 47. These costs made up 28 percent of the total cash expenses of commercial farmers. They comprised from a fourth to two-fifths of the total on all except vegetable, fruit-and-nut, and poultry farms.

TABLE 47.—EXPENSES FOR PURCHASE AND OPERATION OF MOTOR VEHICLES, FARM MACHINERY, AND EQUIPMENT¹ AS A PERCENTAGE OF TOTAL FARM EXPENDITURE, BY TYPE AND ECONOMIC CLASS OF COMMERCIAL FARM, FOR THE UNITED STATES: 1955

Type of farm	Total	Economic class of farm	
		I and II	III through VI
	Percent	Percent	Percent
All commercial farms	27.7	21.9	34.2
Cash-grain.....	42.1	39.2	44.9
Cotton.....	32.3	27.0	39.0
Other field-crop.....	29.7	19.0	39.3
Vegetable.....	16.3	13.4	22.7
Fruit-and-nut.....	20.7	17.0	29.3
Dairy.....	28.7	21.9	32.8
Poultry.....	10.2	8.0	14.9
Livestock other than dairy and poultry.....	22.7	18.0	29.5
General:			
Primarily crop.....	30.6	26.2	37.9
Primarily livestock.....	31.6	27.8	33.0
Crop and livestock.....	32.0	26.4	36.0
Miscellaneous.....	17.0	11.6	33.2

¹ Purchase of motor vehicles, farm machinery and equipment, petroleum products, and repairs, and other operating costs.

On the smaller economic classes the proportions were even higher, accounting for a third or more of the total expenses for most types of farms. In Economic Classes III through VI motor vehicle and machinery costs amounted to 45 percent of the total cash farm expenses for cash-grain farmers and 39 percent for cotton and other field-crop farmers.