

category was machine rental expense for equipment leased or rented by a farm operator but operated by the farmer or his employees. Expenses for hauling agricultural products to market or for shipment of farm input needs to the farm were to be excluded. The 1969 machine hire and customwork data for farms with sales of under \$2,500 include expenditures for contract labor.

**Agricultural chemicals, excluding commercial fertilizer**—Expenditures were to include lime and all other chemicals except fertilizer. Data for lime are available separately. The items included were to be insecticides, fungicides, nematocides fumigants, defoliant, herbicides, chemicals for growth control, and chemicals for treatment of buildings. More detailed chemical information is in chapter 4 of this publication.

**All other production expenses**—These expenditures cover all costs not included in the previous categories. Outlays for property taxes, interest, cash rents, insurance, repairs, electricity, purchase of water, hauling and other marketing costs, for water for irrigation, and depreciation were to be included whether paid by landlord or tenant. Land rentals paid on a share basis were not to be included.

The diversity of costs includable in all other production expenses, makes it highly probable that some capital expenditures were erroneously included. Underreporting is also likely to have occurred since noncash items such as depreciation may have been left out. The wide range of acceptable values for this item made it feasible to review only the entries which appeared to have the greatest inconsistencies for possible error and correction during office processing.

**Total production expenses**—These data were again obtained in 1974 as in 1969. The total production expense data are subject to a wide range of definitional problems; such as stated in "all other production expenses." Requesting farm operators to include expenses incurred by landlords and contractors made it necessary for a number of respondents to make estimates.

### Summary of Findings

**All expenditures**—Including the impact of inflation on expenditures, the data from 1969 to 1974 show a 62.4-percent increase in the total cost of all farm production inputs, from \$37.6 billion to slightly over \$61 billion. Such a comparison does not take into account any change in the amount of physical resources utilized by farmers for agricultural production. However, even after discounting for increased amounts of certain input materials used, production costs have increased significantly.

Percent distribution, dollar values and dollar and percent changes from the previous census for all expenditure items are available in tables 4, 5, and 6. Table 4 shows the 1974 increases or decreases from 1969 in farms and amounts spent for all comparable expense items. Tables 5 and 6 cross-tabulate expenditure items by value of sales groups and by standard industrial classifications, respectively.

Table 7 shows changes which have occurred from census to census for selected expenditure items. The index of prices paid by farmers has been utilized to adjust the expenditure data for comparison purposes.

**Livestock and poultry purchased**—The expenditure for livestock and poultry purchased by farms increased at a much slower pace between 1969 and 1974 than most other farm inputs. The total amount spent increased from slightly over \$8 billion to \$10 billion from the 1969

census to 1974 census; a 23-percent gain. Farms with sales of \$100,000 and over accounted for 72 percent of this expenditure.

**Feed for livestock and poultry**—Feed expenditures increased rapidly from the 1969 census to the 1974 census. Nearly doubling, aggregate feed expense increased from \$7.1 billion to \$13.6 billion. Farms with sales of \$2,500 and over accounted for 97.9 percent of all feed expenses and 98.5 percent of expenditures for commercially mixed feeds. For these farms, the percentage distribution of amounts spent on each type of feed remained similar between 1969 and 1974. For farms with sales of \$2,500 and over commercially mixed feeds represented over 64 percent of total feed costs in 1969 but only 62 percent in 1974. The expenditure for whole grains as a portion of total feed cost increased from 21 to 23 percent. Ingredients and hay percentages of the Nation's total feed bill remained almost the same, at approximately 9 and 6 percent respectively in each census (table 8).

Farms where poultry or livestock accounted for more than one-half their sales purchased more than 90 percent of feed purchases. Poultry farms purchased over two-fifths of the commercial feed (table 9).

**Animal health costs**—For the 827,000 farms and ranches that reported animal health expenses, the cost was significant—\$472 per farm and totaling almost

Table 4. Changes in Selected Farm Expenditures: 1969 to 1974

All Farms	1974	1969	Increase or decrease	Percent change
Comparable expenses, total.....million dollars..	40,136	24,928	15,208	61.0
Livestock and poultry purchased...farms 1,000..	873	1,177	-304	-25.8
million dollars..	9,955	8,078	1,877	23.2
Feed for livestock and poultry....farms 1,000..	1,538	1,804	-266	-14.7
million dollars..	13,651	7,082	6,569	92.8
Seeds, bulbs, plants, and trees...farms 1,000..	1,411	1,680	-269	-16.0
million dollars..	1,799	871	928	106.5
Commercial fertilizer.....farms 1,000..	1,625	1,954	-329	-16.8
million dollars..	5,137	2,209	2,928	132.5
Gasoline and other petroleum fuel and oil for farm business.....farms 1,000..	2,218	2,640	-422	-16.0
million dollars..	3,088	1,907	1,181	61.9
Hired farm labor.....farms 1,000..	832	1,393	-561	-40.3
million dollars..	4,652	3,375	1,277	37.8
Contract labor, machine hire, and customwork.....farms 1,000..	(NA)	1,465	(NA)	(NA)
million dollars..	1,854	1,405	449	32.0