CHAPTER I

In 1974, 894,000 farms with sales of $2,500 and over reported spending $1.7 billion for agricultural chemicals. Of these farms, 49 percent spent less than $500 for chemicals. In 1969, 70 percent of farms reported less than $500 worth of chemicals. The proportion of farms spending $5,000 or more for chemicals rose from 2 percent in 1969 to 7 percent in 1974 (table 14). More chemical data are available in chapter IV.

All other production expenses—As in 1969, this category was the largest expenditure item in 1974. For both censuses, it represented 31 percent of total expenditures reported. Many miscellaneous expenses were included in this category as well as many fixed cost items.

Unfortunately, little data exist on the cost of various components in this category. Since so many diverse costs must be combined by the respondent, the difficulty of reporting this item is accentuated. Consequently, the data for all other production expenses are less reliable than those for itemized expenditures.

Farms with sales of $2,500 and over accounted for 96 percent of all other production expenses reported by all farms. In relation to total production expenditures, other expenses represented a high of 44 percent for cash-grain farms (SIC-011) and a low of 11 percent for poultry farms (SIC-025).

Total production expenses—All farm expenditures for 1974 totaled $61 billion. Value of products sold from all the Nation’s farms was $82 billion. Consequently, 1974 census net farm income from the sale of agricultural products was nearly $21 billion for the Nation’s 2.3 million farms.

Of the 1.7 million farms that had sales of $2,500 or more, 22 percent reported farm expenditures greater than farm sales (table 15). These farms shared in a $3.7 billion operating loss. Less than 31,000 farms (less than 2 percent) of farms with sales of $2,500 and over reported losses of $20,000 or more. The other 78 percent of farms with positive net sales income reported $24.4 billion net sales income. Of these farms with positive net sales income, 96,405 (7 percent) reported net sales income of $50,000 or more.

Table 16 shows positive or negative average net sales income of farms by value of sales for all farms. The average per farm net sales income was as high as $63.284 for farms with sales of $100,000 and over versus a low of negative net sales income or loss of $1,038 for farms with sales of $2,500 to $4,999.

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