

Kentucky Farm Business Management Program

Family Living
1998 Sources and Uses Summary

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David L. Heisterberg and Jennifer L. Rogers

University of Kentucky
Department of Agricultural Economics
400 Charles E. Barnhart Building
Lexington, Kentucky 40546-0276

Phone: 859-257-5762

Fax: 859-323-1913

<http://www.uky.edu/Ag/AgEcon/>

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Leigh Ann Penn	Bluegrass Farm Analysis Group, Inc.	(859) 879-6809
Rick R. Costin	Lincoln Trail Farm Analysis Group, Inc.	(270) 737-4799
Craig D. Gibson	Ohio Valley Farm Analysis Group, Inc.	(270) 827-1395
Waylan Ramming	Ohio Valley Farm Analysis Group, Inc.	(270) 685-8480
D. Bart Peters	Pennyroyal Farm Analysis Group, Inc.	(270) 886-5281
David L. Heisterberg	Pennyroyal Farm Analysis Group, Inc.	(270) 886-5281
Rush H. Midkiff	Pennyroyal Farm Analysis Group, Inc.	(270) 842-5823
Terry W. Moss	Pennyroyal Farm Analysis Group, Inc.	(270) 886-5281
Russ M. Morgan	Purchase Farm Analysis Group, Inc.	(270) 247-5031
KFBM Website	http://www.uky.edu/Ag/KFBM/	

A Special Note to Our Readers

The data for this study are drawn from the detailed financial records of producers cooperating with the Kentucky Farm Business Management Program. The data are not drawn from a random sample of farms in the state. However, these data are the most accurate and detailed farm financial data which are available to researchers and educators. Every attempt has been made to select a set of farms for these research studies which are “typical” operations and have complete financial information available for analysis. These data are carefully cross-checked by our farm management specialists before inclusion in this analysis. It should be noted that farms included in this study are representative of commercial farms producing major commodities and livestock, but not of all farms in Kentucky.

**Table 1. Farm and Family Sources and Uses of Dollars
- Average per Farm in Kentucky, 1998**

<i>Item</i>	<i>1998</i>
Number of families	142
Age of operator	49
Number in family	3.1
Age of oldest dependent child	15
Total tillable operator acres ¹	691
Value of feed fed	\$24,281
Net farm income	\$2,758
FAMILY LIVING EXPENSE:	
Contributions	\$2,217
Medical	4,567
Life Insurance	2,099
Expendables	<u>30,289</u>
Total Non-Capital	(39,172)
Capital	<u>2,137</u>
Total Living Expenses	(\$41,309)
SOURCES OF FUNDS:	
Non-taxable receipts ²	23,687
Net non-farm income	21,796
Money borrowed	226,011
Total farm receipts	<u>300,032</u>
TOTAL SOURCE ALL FUNDS	\$571,526
USES OF FUNDS:	
Farm	
Interest paid	\$22,258
Other farm expenses	214,071
Machinery-bldg. purchases	<u>36,082</u>
Total Farm Expenditures	(\$272,412)
Principal payments	\$206,010
Income & S.S. tax	14,840
Savings & investment ³	36,997
Living expenses:	
Total Non-Capital	\$39,172
Capital	<u>2,137</u>
Total Living Expense	(\$41,309)
TOTAL USE OF FUNDS	\$571,568
Balancing error	42

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

**Table 2. Kentucky Farm and Family Sources and Uses of Dollars, 1998
by Number in Family and All Families.**

Item	Number in Family			All Families
	1 - 2	3 - 5	>5	1998
Number of families	63	73	6	142
Age of operator	58	43	37	49
Number in family	1.9	3.9	6.3	3.1
Age of oldest dependent child	15	15	12	15
Total tillable operator acres ¹	639	761	399	691
Value of feed fed	\$24,024	\$22,838	\$44,542	\$24,281
Net farm income	\$513	\$3,851	\$13,024	\$2,758
FAMILY LIVING EXPENSE:				
Contributions	\$2,634	\$1,952	\$1,057	\$2,217
Medical	4,632	4,453	5,271	4,567
Life Insurance	1,928	2,298	1,481	2,099
Expendables	<u>22,442</u>	<u>36,957</u>	<u>31,554</u>	<u>30,289</u>
Total Non-Capital	(31,636)	(45,660)	(39,363)	(39,172)
Capital	<u>2,246</u>	<u>2,205</u>	<u>165</u>	<u>2,137</u>
Total Living Expenses	(\$33,882)	(\$47,865)	(\$39,528)	(\$41,309)
SOURCES OF FUNDS:				
Non-taxable receipts ²	\$25,210	\$23,295	\$12,475	\$23,687
Net non-farm income	23,604	21,363	8,081	21,796
Money borrowed	200,556	255,660	132,555	226,011
Total farm receipts	<u>261,303</u>	<u>336,816</u>	<u>259,141</u>	<u>300,032</u>
TOTAL SOURCE ALL FUNDS	\$510,673	\$637,134	\$412,251	\$571,526
USES OF FUNDS:				
Farm				
Interest paid	\$20,568	\$24,255	\$15,702	\$22,258
Other farm expenses	183,841	242,270	188,400	214,071
Machinery-bldg. purchases	<u>34,926</u>	<u>37,217</u>	<u>34,419</u>	<u>36,082</u>
Total Farm Expenditures	(\$239,336)	(\$303,743)	(\$238,521)	(\$272,412)
Principal payments	\$178,277	\$237,020	\$119,909	\$206,010
Income & S.S. tax	14,568	15,830	5,649	14,840
Savings & investment ³	44,659	32,678	9,108	36,997
Living expenses:				
Total Non-Capital	\$31,636	\$45,660	\$39,363	\$39,172
Capital	<u>2,246</u>	<u>2,205</u>	<u>165</u>	<u>2,137</u>
Total Living Expense	(\$33,882)	(\$47,865)	(\$39,528)	(\$41,309)
TOTAL USE OF FUNDS	\$510,721	\$637,136	\$412,715	\$571,568
Balancing error	48	2	464	42

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

**Table 3. Kentucky Farm and Family Sources and Uses of Dollars, 1998
by Age of Oldest Dependent Child**

<i>Item</i>	<i>Age of Oldest Dependent Child</i>		
	<i>Under 10</i>	<i>10 - 16</i>	<i>Over 16</i>
Number of families	17	26	37
Age of operator	37	40	46
Number in family	4.2	4.1	3.9
Age of oldest dependent child	6	13	20
Total tillable operator acres ¹	651	715	770
Value of feed fed	\$21,743	\$23,440	\$26,868
Net farm income	-\$6,420	\$7,248	\$8,965
FAMILY LIVING EXPENSE:			
Contributions	\$901	\$1,932	\$2,251
Medical	5,289	4,720	3,894
Life Insurance	1,841	1,466	2,898
Expendables	34,452	35,787	37,923
Total Non-Capital.	(42,483)	(43,906)	(46,965)
Capital.	2,040	2,063	1,990
Total Living Expenses	(\$44,523)	(\$45,969)	(\$48,956)
SOURCES OF FUNDS:			
Non-taxable receipts ²	\$18,767	\$20,686	\$24,825
Net non-farm income	11,870	20,059	24,056
Money borrowed	311,511	204,731	239,683
Total farm receipts	<u>332,526</u>	<u>308,224</u>	<u>343,788</u>
TOTAL SOURCE ALL FUNDS	\$674,674	\$553,700	\$632,352
USES OF FUNDS:			
Farm			
Interest paid	\$25,030	\$19,090	\$25,874
Other farm expenses	257,200	222,559	238,258
Machinery-bldg. purchases	<u>28,148</u>	<u>37,152</u>	<u>40,212</u>
Total Farm Expenditures	(\$310,378)	(\$278,802)	(\$304,344)
Principal payments	\$288,186	\$175,229	\$233,120
Income & S.S. tax	5,555	16,852	17,910
Savings & investment ³	26,033	36,901	28,064
Living expenses:			
Total Non-Capital	\$42,483	\$43,906	\$46,965
Capital	<u>2,040</u>	<u>2,063</u>	<u>1,990</u>
Total Living Expense	(\$44,523)	(\$45,969)	(\$48,956)
TOTAL USE OF FUNDS	\$674,674	\$553,753	\$632,394
Balancing error	0	53	42

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

Table 4. Kentucky Farm and Family Sources and Uses of Dollars, 1998
by High-Low 1/3 Non-Capital Living Expenses for Family of 3 to 5.

<i>Item</i>	<i>Non-Capital Living Expense For Family of Three to Five</i>	
	<i>High 1/3</i>	<i>Low 1/3</i>
Number of families	24	24
Age of operator	44	43
Number in family	3.9	3.9
Age of oldest dependent child	15	14
Total tillable operator acres ¹	1,133	474
Value of feed fed	\$27,919	\$35,505
Net farm income	-\$8,163	\$7,358
FAMILY LIVING EXPENSE:		
Contributions	\$2,493	\$1,208
Medical	6,109	2,341
Life Insurance	3,734	1,255
Expendables	<u>54,088</u>	<u>22,340</u>
Total Non-Capital.	(66,424)	(27,144)
Capital.	<u>3,180</u>	<u>1,416</u>
Total Living Expenses	(\$69,604)	(\$28,560)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$27,710	\$17,281
Net non-farm income	19,720	15,904
Money borrowed	430,686	134,660
Total farm receipts	<u>476,240</u>	<u>258,393</u>
TOTAL SOURCE ALL FUNDS	\$954,356	\$426,237
USES OF FUNDS:		
Farm		
Interest paid	\$36,142	\$18,548
Other farm expenses	334,160	189,868
Machinery-bldg. purchases	<u>50,837</u>	<u>25,779</u>
Total Farm Expenditures	(\$421,139)	(\$234,194)
Principal payments	\$411,699	\$123,586
Income & S.S. tax	26,631	10,309
Savings & investment ³	25,282	29,654
Living expenses:		
Total Non-Capital	\$66,424	\$27,144
Capital	<u>3,180</u>	<u>1,416</u>
Total Living Expense	(\$69,604)	(\$28,560)
TOTAL USE OF FUNDS	\$954,355	\$426,303
Balancing error	0	66

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

**Table 5. Kentucky Farm and Family Sources and Uses of Dollars, 1998
by Operator Tillable Acres and High-Low 1/3 Non-Capital Living Expenses for
300-600 Acre Size.**

<i>Item</i>	<i>Operator Tillable Acres in Farm</i>			<i>Non-Capital Living Expenses</i>	
	<i>Under 300</i>	<i>300-600</i>	<i>600+</i>	<i>300-600 Operator Tillable Acres</i>	
				<i>High 1/3</i>	<i>Low 1/3</i>
Number of families	34	42	62	14	14
Age of operator	50	54	46	53	58
Number in family	2.8	2.8	3.3	2.6	2.4
Age of oldest dependent child	14	16	14	16	15
Total tillable operator acres ¹	158	442	1,198	461	406
Value of feed fed	\$37,904	\$20,546	\$19,381	\$21,179	\$33,596
Net farm income	\$12,087	\$504	-\$1,095	\$5,628	-\$4,333
FAMILY LIVING EXPENSE:					
Contributions	\$1,930	\$2,652	\$2,087	\$4,585	\$1,412
Medical	3,455	4,142	5,388	4,414	4,899
Life Insurance	1,959	1,201	2,795	2,041	492
Expendables	<u>26,289</u>	<u>24,950</u>	<u>36,253</u>	<u>39,493</u>	<u>9,657</u>
Total Non-Capital	(33,633)	(32,944)	(46,523)	(50,532)	(16,460)
Capital	<u>2,880</u>	<u>302</u>	<u>2,955</u>	<u>-407</u>	<u>810</u>
Total Living Expenses	(\$36,513)	(\$33,246)	(\$49,478)	(\$50,125)	(\$17,270)
SOURCES OF FUNDS:					
Non-taxable receipts ²	\$18,986	\$17,240	\$31,897	\$28,532	\$10,074
Net non-farm income	32,641	23,138	13,579	32,767	18,074
Money borrowed	103,503	86,291	402,397	121,467	43,093
Total farm receipts	<u>176,792</u>	<u>173,174</u>	<u>468,676</u>	<u>180,976</u>	<u>171,812</u>
TOTAL SOURCE ALL FUNDS	\$331,921	\$299,844	\$916,549	\$363,742	\$243,053
USES OF FUNDS:					
Farm					
Interest paid	\$14,039	\$13,041	\$33,783	\$12,664	\$10,703
Other farm expenses	127,223	118,030	338,005	113,670	124,025
Machinery-bldg. purchases	<u>19,392</u>	<u>13,358</u>	<u>62,935</u>	<u>18,019</u>	<u>11,963</u>
Total Farm Expenditures	(\$160,655)	(\$144,429)	(\$434,723)	(\$144,353)	(\$146,691)
Principal payments	\$104,270	\$88,387	\$353,743	\$111,506	\$56,577
Income & S.S. tax	8,294	12,348	20,970	19,789	7,747
Savings & investment ³	22,192	21,472	57,704	37,971	14,768
Living expenses:					
Total Non-Capital	\$33,633	\$32,944	\$46,523	\$50,532	\$16,460
Capital	<u>2,880</u>	<u>302</u>	<u>2,955</u>	<u>-407</u>	<u>810</u>
Total Living Expense	(\$36,513)	(\$33,246)	(\$49,478)	(\$50,125)	(\$17,270)
TOTAL USE OF FUNDS	\$331,924	\$299,882	\$916,618	\$363,743	\$243,053
Balancing error	3	38	69	1	0

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

**Table 6. Kentucky Farm and Family Sources and Uses of Dollars, 1998
by Age of Operator for Family of 1 to 2.**

<i>Item</i>	<i>Age of Operator</i>	
	<i>Less than 45</i>	<i>45 and Older</i>
Number of families	7	55
Age of operator	36	61
Number in family	1.6	1.9
Age of oldest dependent child	NA	NA
Total tillable operator acres ¹	821	623
Value of feed fed	\$2,707	\$26,469
Net farm income	-\$8,404	\$716
FAMILY LIVING EXPENSE:		
Contributions	\$1,774	\$2,791
Medical	4,385	4,748
Life Insurance	1,262	2,048
Expendables	<u>14,709</u>	<u>23,250</u>
Total Non-Capital.	(22,130)	(32,837)
Capital.	<u>339</u>	<u>2,530</u>
Total Living Expenses	(\$22,469)	(\$35,367)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$3,484	\$28,433
Net non-farm income	3,234	26,528
Money borrowed	169,852	207,592
Total farm receipts	<u>237,259</u>	<u>264,669</u>
TOTAL SOURCE ALL FUNDS	\$413,830	\$527,222
USES OF FUNDS:		
Farm		
Interest paid	\$16,341	\$21,220
Other farm expenses	165,020	186,700
Machinery-bldg. purchases	<u>36,993</u>	<u>35,135</u>
Total Farm Expenditures	(\$218,354)	(\$243,054)
Principal payments	\$96,663	\$190,840
Income & S.S. tax	15,128	14,657
Savings & investment ³	61,215	43,359
Living expenses:		
Total Non-Capital	\$22,130	\$32,837
Capital	<u>339</u>	<u>2,530</u>
Total Living Expense	(\$22,469)	(\$35,367)
TOTAL USE OF FUNDS	\$413,830	\$527,277
Balancing error	0	55

¹ Total tillable operator acres for 1998.

² Included fund transfers and withdrawals from savings, tax refunds, gifts, inheritances, transfer from other business ent. & misc.

³ Includes transfers to savings, loans to others, real estate purchases, other non-farm capital and net change in bank balance.

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