

Kentucky Farm Business Management Program

**Family Living
1999 Sources and Uses Summary**

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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 – 1999**

<i>Item</i>	1999	1998
Number of families	143	142
Age of operator	51	49
Number in family	3.0	3.1
Age of oldest dependent child	15	15
Total tillable operator acres ¹	657	691
Value of feed fed	\$28,235	\$24,281
Net farm income	\$39,710	\$2,758
FAMILY LIVING EXPENSE:		
Contributions	\$2,324	\$2,217
Medical	5,454	4,567
Life Insurance	1,878	2,099
Expendables	<u>28,340</u>	<u>30,289</u>
Total Non-Capital	(37,996)	(39,172)
Capital	<u>2,746</u>	<u>2,137</u>
Total Living Expenses	(\$40,742)	(\$41,309)
SOURCES OF FUNDS:		
Non-taxable receipts ²	36,175	23,687
Net non-farm income	35,649	21,796
Money borrowed	166,274	226,011
Total farm receipts	<u>292,462</u>	<u>300,032</u>
TOTAL SOURCE ALL FUNDS	\$530,561	\$571,526
USES OF FUNDS:		
Farm		
Interest paid	\$20,236	\$22,258
Other farm expenses	210,747	214,071
Machinery-bldg. purchases	<u>23,960</u>	<u>36,082</u>
Total Farm Expenditures	(\$254,943)	(\$272,412)
Principal payments	\$177,199	\$206,010
Income & S.S. tax	12,588	14,840
Savings & investment ³	45,082	36,997
Living expenses:		
Total Non-Capital	\$37,996	\$39,172
Capital	<u>2,746</u>	<u>2,137</u>
Total Living Expense	(\$40,742)	(\$41,309)
TOTAL USE OF FUNDS	\$530,555	\$571,568
Balancing error	-6	42

¹ Total tillable operator acres for 1998-1999.

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, 1999
by Number in Family and All Families.**

<i>Item</i>	<i>Number in Family</i>			<i>All Families</i>
	1 - 2	3 - 5	>5	2005
Number of families	68	69	6	143
Age of operator	59	44	37	51
Number in family	1.9	3.9	6.2	3.0
Age of oldest dependent child	18	15	15	15
Total tillable operator acres ¹	524	793	603	657
Value of feed fed	\$20,866	\$35,047	\$33,415	\$28,235
Net farm income	\$23,909	\$54,272	\$51,320	\$39,710
FAMILY LIVING EXPENSE:				
Contributions	\$2,562	\$2,138	\$1,768	\$2,324
Medical	5,603	5,270	5,895	5,454
Life Insurance	1,513	2,296	1,203	1,878
Expendables	<u>21,428</u>	<u>33,850</u>	<u>43,303</u>	<u>28,340</u>
Total Non-Capital.	(31,106)	(43,554)	(52,170)	(37,996)
Capital.	<u>1,885</u>	<u>3,301</u>	<u>6,127</u>	<u>2,746</u>
Total Living Expenses	(\$32,990)	(\$46,856)	(\$58,297)	(\$40,742)
SOURCES OF FUNDS:				
Non-taxable receipts ²	\$31,815	\$41,804	\$20,852	\$36,175
Net non-farm income	36,045	36,307	23,602	35,649
Money borrowed	126,589	208,445	131,078	166,274
Total farm receipts	<u>224,517</u>	<u>363,103</u>	<u>250,150</u>	<u>292,462</u>
TOTAL SOURCE ALL FUNDS	\$418,966	\$649,659	\$425,682	\$530,561
USES OF FUNDS:				
Farm				
Interest paid	\$15,650	\$24,459	\$23,650	\$20,236
Other farm expenses	163,379	259,852	182,869	210,747
Machinery-bldg. purchases	<u>15,658</u>	<u>32,061</u>	<u>24,891</u>	<u>23,960</u>
Total Farm Expenditures	(\$194,688)	(\$316,372)	(\$231,410)	(\$254,943)
Principal payments	\$137,865	\$220,698	\$122,752	\$177,199
Income & S.S. tax	10,003	15,906	3,726	12,588
Savings & investment ³	43,413	49,821	9,498	45,082
Living expenses:				
Total Non-Capital	\$31,106	\$43,554	\$52,170	\$37,996
Capital	<u>1,885</u>	<u>3,301</u>	<u>6,127</u>	<u>2,746</u>
Total Living Expense	(\$32,990)	(\$46,856)	(\$58,297)	(\$40,742)
TOTAL USE OF FUNDS	\$418,958	\$649,653	\$425,682	\$530,555
Balancing error	-8	-5	1	-6

¹ Total tillable operator acres for 1999.

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, 1999
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	16	24	37
Age of operator	36	42	47
Number in family	4.0	4.1	3.9
Age of oldest dependent child	5	14	20
Total tillable operator acres ¹	654	919	753
Value of feed fed	\$37,060	\$22,311	\$40,873
Net farm income	\$43,788	\$74,410	\$40,638
FAMILY LIVING EXPENSE:			
Contributions	\$1,899	\$1,672	\$2,369
Medical	5,443	4,962	5,352
Life Insurance	1,381	1,571	2,860
Expendables	<u>29,803</u>	<u>36,641</u>	<u>35,402</u>
Total Non-Capital.	(38,527)	(44,847)	(45,983)
Capital.	<u>1,406</u>	<u>3,406</u>	<u>4,468</u>
Total Living Expenses	(\$39,932)	(\$48,252)	(\$50,451)
SOURCES OF FUNDS:			
Non-taxable receipts ²	\$43,547	\$32,416	\$42,798
Net non-farm income	31,159	32,489	38,496
Money borrowed	211,543	221,484	188,361
Total farm receipts	<u>366,480</u>	<u>381,574</u>	<u>336,894</u>
TOTAL SOURCE ALL FUNDS	\$652,730	\$667,963	\$606,548
USES OF FUNDS:			
Farm			
Interest paid	\$22,382	\$25,194	\$25,432
Other farm expenses	278,372	259,707	243,898
Machinery-bldg. purchases	<u>29,721</u>	<u>36,506</u>	<u>28,342</u>
Total Farm Expenditures	(\$330,475)	(\$321,408)	(\$297,673)
Principal payments	\$227,127	\$230,364	\$199,199
Income & S.S. tax	6,130	19,687	14,966
Savings & investment ³	49,066	48,239	44,258
Living expenses:			
Total Non-Capital	\$38,527	\$44,847	\$45,983
Capital	<u>1,406</u>	<u>3,406</u>	<u>4,468</u>
Total Living Expense	(\$39,932)	(\$48,252)	(\$50,451)
TOTAL USE OF FUNDS	\$652,730	\$667,950	\$606,547
Balancing error	0	-13	-1

¹ Total tillable operator acres for 1999.

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, 1999
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	23	23
Age of operator	45	43
Number in family	3.9	3.7
Age of oldest dependent child	16	14
Total tillable operator acres ¹	1,017	538
Value of feed fed	\$17,638	\$39,488
Net farm income	\$58,886	\$61,323
FAMILY LIVING EXPENSE:		
Contributions	\$2,986	\$1,436
Medical	6,228	3,785
Life Insurance	3,505	1,455
Expendables	<u>47,687</u>	<u>21,904</u>
Total Non-Capital.	(60,406)	(28,580)
Capital.	<u>3,643</u>	<u>4,433</u>
Total Living Expenses	(\$64,049)	(\$33,012)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$75,901	\$22,725
Net non-farm income	50,315	25,454
Money borrowed	298,141	74,900
Total farm receipts	<u>431,880</u>	<u>272,340</u>
TOTAL SOURCE ALL FUNDS	\$856,237	\$395,418
USES OF FUNDS:		
Farm		
Interest paid	\$32,130	\$11,377
Other farm expenses	285,344	196,085
Machinery-bldg. purchases	<u>35,824</u>	<u>22,569</u>
Total Farm Expenditures	(\$353,298)	(\$230,031)
Principal payments	\$335,940	\$82,048
Income & S.S. tax	20,161	14,724
Savings & investment ³	82,790	35,602
Living expenses:		
Total Non-Capital	\$60,406	\$28,580
Capital	<u>3,643</u>	<u>4,433</u>
Total Living Expense	(\$64,049)	(\$33,012)
TOTAL USE OF FUNDS	\$856,237	\$395,418
Balancing error	0	0

¹ Total tillable operator acres for 1999.

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, 1999
by Operator Tillable Acres and High-Low 1/3 Non-Capital Living
Expenses for 300-600 Acre Size.**

Item	Operator Tillable Acres in Farm			Non-Capital Living Expenses	
	Under 300	300-600	600+	300-600 Operator Tillable Acres	
				High 1/3	Low 1/3
Number of families	42	40	59	13	13
Age of operator	52	53	47	49	56
Number in family	2.7	3.0	3.3	3.0	2.3
Age of oldest dependent child	13	16	15	16	10
Total tillable operator acres ¹	179	429	1,175	407	415
Value of feed fed	\$44,057	\$30,583	\$16,337	\$8,726	\$16,890
Net farm income	\$27,207	\$19,700	\$63,586	\$19,393	\$15,932
FAMILY LIVING EXPENSE:					
Contributions	\$2,056	\$3,228	\$1,864	\$5,074	\$2,365
Medical	4,800	5,156	6,212	5,250	5,761
Life Insurance	1,654	1,139	2,456	1,005	410
Expendables	<u>23,364</u>	<u>27,326</u>	<u>32,919</u>	<u>42,538</u>	<u>12,116</u>
Total Non-Capital.	(31,874)	(36,849)	(43,451)	(53,867)	(20,653)
Capital.	<u>3,274</u>	<u>3,659</u>	<u>1,837</u>	<u>4,771</u>	<u>633</u>
Total Living Expenses	(\$35,149)	(\$40,507)	(\$45,288)	(\$58,638)	(\$21,286)
SOURCES OF FUNDS:					
Non-taxable receipts ²	\$25,363	\$36,729	\$43,535	\$50,281	\$29,835
Net non-farm income	46,821	40,746	24,507	52,771	22,800
Money borrowed	79,773	91,824	282,763	107,169	77,147
Total farm receipts	<u>167,584</u>	<u>183,539</u>	<u>464,040</u>	<u>162,260</u>	<u>154,151</u>
TOTAL SOURCE ALL FUNDS	\$319,541	\$352,837	\$814,846	\$372,482	\$283,934
USES OF FUNDS:					
Farm					
Interest paid	\$14,157	\$13,685	\$29,331	\$14,830	\$7,877
Other farm expenses	116,371	136,404	334,994	111,919	109,060
Machinery-bldg. purchases	<u>14,440</u>	<u>18,648</u>	<u>35,066</u>	<u>17,597</u>	<u>15,315</u>
Total Farm Expenditures	(\$144,968)	(\$168,736)	(\$399,392)	(\$144,346)	(\$132,252)
Principal payments	\$93,438	\$86,903	\$302,961	\$101,944	\$74,074
Income & S.S. tax	11,697	11,570	14,147	14,383	6,032
Savings & investment ³	34,281	45,120	53,049	53,172	50,290
Living expenses:					
Total Non-Capital	\$31,874	\$36,849	\$43,451	\$53,867	\$20,653
Capital	<u>3,274</u>	<u>3,659</u>	<u>1,837</u>	<u>4,771</u>	<u>633</u>
Total Living Expense	(\$35,149)	(\$40,507)	(\$45,288)	(\$58,638)	(\$21,286)
TOTAL USE OF FUNDS	\$319,533	\$352,837	\$814,837	\$372,482	\$283,933
Balancing error	-9	0	-9	0	0

¹ Total tillable operator acres for 1999.

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, 1999
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	6	60
Age of operator	34	62
Number in family	1.5	1.9
Age of oldest dependent child	NA	NA
Total tillable operator acres ¹	599	501
Value of feed fed	\$9,260	\$22,356
Net farm income	\$15,796	\$26,561
FAMILY LIVING EXPENSE:		
Contributions	\$1,833	\$2,720
Medical	1,786	6,084
Life Insurance	860	1,628
Expendables	<u>22,973</u>	<u>20,811</u>
Total Non-Capital	(27,452)	(31,243)
Capital	<u>121</u>	<u>2,041</u>
Total Living Expenses	(\$27,573)	(\$33,285)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$50,467	\$30,198
Net non-farm income	55,839	34,337
Money borrowed	99,292	125,197
Total farm receipts	<u>178,975</u>	<u>221,029</u>
TOTAL SOURCE ALL FUNDS	\$384,574	\$410,762
USES OF FUNDS:		
Farm		
Interest paid	\$22,054	\$14,295
Other farm expenses	134,096	160,351
Machinery-bldg. purchases	<u>19,553</u>	<u>15,144</u>
Total Farm Expenditures	(\$175,703)	(\$189,790)
Principal payments	\$150,085	\$131,764
Income & S.S. tax	5,769	10,686
Savings & investment ³	25,444	45,228
Living expenses:		
Total Non-Capital	\$27,452	\$31,243
Capital	<u>121</u>	<u>2,041</u>
Total Living Expense	(\$27,573)	(\$33,285)
TOTAL USE OF FUNDS	\$384,574	\$410,753
Balancing error	0	-9

¹ Total tillable operator acres for 1999.

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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