

Kentucky Farm Business Management Program

**Family Living
2003 Sources and Uses Summary**

Agricultural Economics – Extension No. 2006-10

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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 – 2003

<i>Item</i>	2003	2002	2001	2000	1999	1998
Number of families	120	130	161	133	143	142
Age of operator	53	53	54	50	51	49
Number in family	2.9	2.9	3.0	3.1	3.0	3.1
Age of oldest dependent child	16	16	15	15	15	15
Total tillable operator acres ¹	678	692	630	644	657	691
Value of feed fed	\$34,494	\$25,270	\$28,706	\$27,035	\$28,235	\$24,281
Net farm income	\$76,774	\$28,989	\$54,008	\$74,529	\$39,710	\$2,758
FAMILY LIVING EXPENSE:						
Contributions	\$3,347	\$3,042	\$2,553	\$2,406	\$2,324	\$2,217
Medical	6,185	6,358	5,612	5,291	5,454	4,567
Life Insurance	1,695	1,461	1,692	1,871	1,878	2,099
Expendables	<u>33,615</u>	<u>32,471</u>	<u>31,284</u>	<u>31,877</u>	<u>28,340</u>	<u>30,289</u>
Total Non-Capital	(44,842)	(43,333)	(41,142)	(41,444)	(37,996)	(39,172)
Capital	<u>3,083</u>	<u>2,844</u>	<u>2,632</u>	<u>2,283</u>	<u>2,746</u>	<u>2,137</u>
Total Living Expenses	(\$47,925)	(\$46,176)	(\$43,774)	(\$43,728)	(\$40,742)	(\$41,309)
SOURCES OF FUNDS:						
Non-taxable receipts ²	24,740	21,684	28,277	28,575	36,175	23,687
Net non-farm income	31,380	27,289	29,857	29,840	35,649	21,796
Money borrowed	204,563	172,747	184,865	177,589	166,274	226,011
Total farm receipts	<u>324,239</u>	<u>284,949</u>	<u>303,697</u>	<u>292,964</u>	<u>292,462</u>	<u>300,032</u>
TOTAL SOURCE ALL FUNDS	\$584,921	\$506,669	\$546,696	\$528,968	\$530,561	\$571,526
USES OF FUNDS:						
Farm						
Interest paid	\$15,537	\$16,752	\$21,113	\$21,816	\$20,236	\$22,258
Other farm expenses	239,735	205,388	218,592	208,974	210,747	214,071
Machinery-bldg. purchases	<u>43,025</u>	<u>36,097</u>	<u>40,532</u>	<u>32,198</u>	<u>23,960</u>	<u>36,082</u>
Total Farm Expenditures	(\$298,297)	(\$258,238)	(\$280,237)	(\$262,988)	(\$254,943)	(\$272,412)
Principal payments	\$182,680	\$157,210	\$170,358	\$169,990	\$177,199	\$206,010
Income & S.S. tax	11,109	14,693	14,227	11,583	12,588	14,840
Savings & investment ³	44,901	30,351	38,104	40,678	45,082	36,997
Living expenses:						
Total Non-Capital	\$44,842	\$43,333	\$41,142	\$41,444	\$37,996	\$39,172
Capital	<u>3,083</u>	<u>2,844</u>	<u>2,632</u>	<u>2,283</u>	<u>2,746</u>	<u>2,137</u>
Total Living Expense	(\$47,925)	(\$46,176)	(\$43,774)	(\$43,728)	(\$40,742)	(\$41,309)
TOTAL USE OF FUNDS	\$584,913	\$506,668	\$546,700	\$528,966	\$530,555	\$571,568
Balancing error	-8	-1	3	-2	-6	42

¹ Total tillable operator acres for 1998-2003.

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, 2003
by Number in Family and All Families.**

<i>Item</i>	<i>Number in Family</i>			<i>All Families</i>
	1 - 2	3 - 5	>5	2003
Number of families	60	57	3	120
Age of operator	61	45	43	53
Number in family	1.9	3.8	6.0	2.9
Age of oldest dependent child	20	16	21	16
Total tillable operator acres ¹	537	831	597	678
Value of feed fed	\$24,030	\$43,676	\$69,327	\$34,494
Net farm income	\$58,010	\$96,209	\$82,786	\$76,774
FAMILY LIVING EXPENSE:				
Contributions	\$3,636	\$3,113	\$2,016	\$3,347
Medical	6,655	5,678	6,409	6,185
Life Insurance	2,022	1,431	185	1,695
Expendables	<u>26,838</u>	<u>39,912</u>	<u>49,519</u>	<u>33,615</u>
Total Non-Capital.	(39,151)	(50,134)	(58,130)	(44,842)
Capital.	<u>2,384</u>	<u>3,982</u>	<u>0</u>	<u>3,083</u>
Total Living Expenses	(\$41,535)	(\$54,115)	(\$58,130)	(\$47,925)
SOURCES OF FUNDS:				
Non-taxable receipts ²	\$24,114	\$25,906	\$15,108	\$24,740
Net non-farm income	30,822	31,818	34,196	31,380
Money borrowed	136,757	273,522	250,450	204,563
Total farm receipts	<u>225,816</u>	<u>426,977</u>	<u>340,669</u>	<u>324,239</u>
TOTAL SOURCE ALL FUNDS	\$417,508	\$758,224	\$640,424	\$584,921
USES OF FUNDS:				
Farm				
Interest paid	\$12,175	\$19,232	\$12,575	\$15,537
Other farm expenses	161,471	322,271	236,833	239,735
Machinery-bldg. purchases	<u>34,899</u>	<u>51,069</u>	<u>52,714</u>	<u>43,025</u>
Total Farm Expenditures	(\$208,545)	(\$392,572)	(\$302,122)	(\$298,297)
Principal payments	\$130,042	\$235,657	\$228,889	\$182,680
Income & S.S. tax	7,826	14,487	12,582	11,109
Savings & investment ³	29,561	61,375	38,702	44,901
Living expenses:				
Total Non-Capital	\$39,151	\$50,134	\$58,130	\$44,842
Capital	<u>2,384</u>	<u>3,982</u>	<u>0</u>	<u>3,083</u>
Total Living Expense	(\$41,535)	(\$54,115)	(\$58,130)	(\$47,925)
TOTAL USE OF FUNDS	\$417,508	\$758,206	\$640,423	\$584,913
Balancing error	0	-18	-1	-8

¹ Total tillable operator acres for 2003.

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, 2003
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	11	16	34
Age of operator	37	43	49
Number in family	3.9	4.1	3.8
Age of oldest dependent child	7	14	20
Total tillable operator acres ¹	634	1029	797
Value of feed fed	\$56,512	\$47,798	\$39,630
Net farm income	\$60,282	\$115,253	\$101,236
FAMILY LIVING EXPENSE:			
Contributions	\$1,888	\$4,510	\$2,737
Medical	4,449	5,709	6,184
Life Insurance	1,049	1,886	1,335
Expendables	33,423	38,923	44,122
Total Non-Capital.	(40,808)	(51,028)	(54,378)
Capital.	6,755	3,762	2,720
Total Living Expenses	(\$47,563)	(\$54,790)	(\$57,097)
SOURCES OF FUNDS:			
Non-taxable receipts ²	\$25,624	\$22,163	\$26,861
Net non-farm income	17,633	39,373	32,361
Money borrowed	181,700	444,207	222,295
Total farm receipts	<u>325,506</u>	<u>544,696</u>	<u>395,901</u>
TOTAL SOURCE ALL FUNDS	\$550,463	\$1,050,439	\$677,418
USES OF FUNDS:			
Farm			
Interest paid	\$18,945	\$24,561	\$16,212
Other farm expenses	250,717	420,701	289,558
Machinery-bldg. purchases	<u>41,367</u>	<u>58,059</u>	<u>52,233</u>
Total Farm Expenditures	(\$311,029)	(\$503,321)	(\$358,003)
Principal payments	\$164,211	\$361,007	\$200,310
Income & S.S. tax	4,238	12,040	18,751
Savings & investment ³	23,361	119,275	43,249
Living expenses:			
Total Non-Capital	\$40,808	\$51,028	\$54,378
Capital	<u>6,755</u>	<u>3,762</u>	<u>2,720</u>
Total Living Expense	(\$47,563)	(\$54,790)	(\$57,097)
TOTAL USE OF FUNDS	\$550,403	\$1,050,433	\$677,410
Balancing error	-60	-6	-8

¹ Total tillable operator acres for 2003.

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, 2003
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	19	19
Age of operator	46	42
Number in family	3.7	3.8
Age of oldest dependent child	17	13
Total tillable operator acres ¹	1,299	498
Value of feed fed	\$31,466	\$43,803
Net farm income	\$164,517	\$55,929
FAMILY LIVING EXPENSE:		
Contributions	\$4,127	\$2,563
Medical	9,295	3,822
Life Insurance	1,907	939
Expendables	<u>55,054</u>	<u>23,482</u>
Total Non-Capital.	(70,383)	(30,806)
Capital.	<u>5,064</u>	<u>4,608</u>
Total Living Expenses	(\$75,448)	(\$35,415)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$31,925	\$23,454
Net non-farm income	46,797	20,192
Money borrowed	394,797	170,890
Total farm receipts	<u>573,077</u>	<u>287,324</u>
TOTAL SOURCE ALL FUNDS	\$1,046,596	\$501,859
USES OF FUNDS:		
Farm		
Interest paid	\$24,746	\$14,439
Other farm expenses	430,745	215,190
Machinery-bldg. purchases	<u>65,216</u>	<u>36,986</u>
Total Farm Expenditures	(\$520,707)	(\$266,614)
Principal payments	\$347,166	\$141,238
Income & S.S. tax	22,154	7,450
Savings & investment ³	81,123	51,103
Living expenses:		
Total Non-Capital	\$70,383	\$30,806
Capital	<u>5,064</u>	<u>4,608</u>
Total Living Expense	(\$75,448)	(\$35,415)
TOTAL USE OF FUNDS	\$1,046,596	\$501,820
Balancing error	0	-39

¹ Total tillable operator acres for 2003.

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, 2003
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 300-600 Operator Tillable Acres	
	Under 300	300-600	600+	High 1/3	Low 1/3
Number of families	36	36	47	12	12
Age of operator	52	59	49	56	66
Number in family	2.8	2.6	3.2	3.0	1.9
Age of oldest dependent child	16	14	17	13	13
Total tillable operator acres ¹	159	444	1,269	435	426
Value of feed fed	\$42,880	\$40,420	\$24,267	\$54,933	\$17,386
Net farm income	\$29,898	\$35,044	\$146,847	\$44,045	\$39,260
FAMILY LIVING EXPENSE:					
Contributions	\$2,672	\$3,664	\$3,675	\$4,242	\$2,375
Medical	4,129	6,878	7,331	6,822	7,871
Life Insurance	1,804	1,446	1,825	2,453	388
Expendables	<u>30,307</u>	<u>28,385</u>	<u>40,240</u>	<u>40,244</u>	<u>15,442</u>
Total Non-Capital	(38,912)	(40,372)	(53,072)	(53,761)	(26,076)
Capital	<u>3,035</u>	<u>2,119</u>	<u>3,605</u>	<u>3,073</u>	<u>404</u>
Total Living Expenses	(\$41,947)	(\$42,492)	(\$56,676)	(\$56,834)	(\$26,480)
SOURCES OF FUNDS:					
Non-taxable receipts ²	\$21,349	\$23,558	\$27,202	\$17,236	\$10,108
Net non-farm income	29,437	34,544	30,094	37,559	21,475
Money borrowed	112,192	117,827	345,688	132,783	47,426
Total farm receipts	<u>183,666</u>	<u>199,934</u>	<u>534,023</u>	<u>235,949</u>	<u>118,115</u>
TOTAL SOURCE ALL FUNDS	\$346,644	\$375,863	\$937,007	\$423,527	\$197,123
USES OF FUNDS:					
Farm					
Interest paid	\$7,881	\$11,768	\$24,204	\$14,003	\$6,258
Other farm expenses	139,588	141,505	396,758	172,685	73,715
Machinery-bldg. purchases	<u>31,029</u>	<u>21,118</u>	<u>69,909</u>	<u>32,014</u>	<u>16,797</u>
Total Farm Expenditures	(\$178,498)	(\$174,390)	(\$490,871)	(\$218,702)	(\$96,771)
Principal payments	\$86,500	\$111,804	\$313,119	\$92,965	\$51,315
Income & S.S. tax	7,759	7,580	16,461	9,704	5,212
Savings & investment ³	31,912	39,597	59,879	45,322	17,345
Living expenses:					
Total Non-Capital	\$38,912	\$40,372	\$53,072	\$53,761	\$26,076
Capital	<u>3,035</u>	<u>2,119</u>	<u>3,605</u>	<u>3,073</u>	<u>404</u>
Total Living Expense	(\$41,947)	(\$42,492)	(\$56,676)	(\$56,834)	(\$26,480)
TOTAL USE OF FUNDS	\$346,616	\$375,863	\$937,007	\$423,527	\$197,123
Balancing error	-28	0	0	-1	0

¹ Total tillable operator acres for 2003.

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, 2003
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	5	54
Age of operator	35	64
Number in family	1.4	1.9
Age of oldest dependent child	NA	NA
Total tillable operator acres ¹	290	544
Value of feed fed	\$1,627	\$25,877
Net farm income	\$61,414	\$54,753
FAMILY LIVING EXPENSE:		
Contributions	\$3,609	\$3,660
Medical	1,831	7,082
Life Insurance	437	2,114
Expendables	<u>29,192</u>	<u>25,876</u>
Total Non-Capital.	(35,069)	(38,732)
Capital.	<u>7,294</u>	<u>1,973</u>
Total Living Expenses	(\$42,363)	(\$40,705)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$45,980	\$22,021
Net non-farm income	22,881	31,981
Money borrowed	139,093	133,111
Total farm receipts	<u>183,238</u>	<u>226,596</u>
TOTAL SOURCE ALL FUNDS	\$391,193	\$413,708
USES OF FUNDS:		
Farm		
Interest paid	\$13,128	\$11,966
Other farm expenses	95,464	165,867
Machinery-bldg. purchases	<u>126,721</u>	<u>25,361</u>
Total Farm Expenditures	(\$235,313)	(\$203,195)
Principal payments	\$81,469	\$131,876
Income & S.S. tax	9,863	7,537
Savings & investment ³	22,185	30,395
Living expenses:		
Total Non-Capital	\$35,069	\$38,732
Capital	<u>7,294</u>	<u>1,973</u>
Total Living Expense	(\$42,363)	(\$40,705)
TOTAL USE OF FUNDS	\$391,193	\$413,708
Balancing error	0	0

¹ Total tillable operator acres for 2003.

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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