

Kentucky Farm Business Management Program

**Family Living
2004 Sources and Uses Summary**

Agricultural Economics – Extension No. 2006-11

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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 – 2004**

<i>Item</i>	2004	2003	2002	2001	2000	1999	1998
Number of families	136	120	130	161	133	143	142
Age of operator	54	53	53	54	50	51	49
Number in family	2.8	2.9	2.9	3.0	3.1	3.0	3.1
Age of oldest dependent child	17	16	16	15	15	15	15
Total tillable operator acres ¹	745	678	692	630	644	657	691
Value of feed fed	\$29,791	\$34,494	\$25,270	\$28,706	\$27,035	\$28,235	\$24,281
Net farm income	\$70,785	\$76,774	\$28,989	\$54,008	\$74,529	\$39,710	\$2,758
FAMILY LIVING EXPENSE:							
Contributions	\$3,881	\$3,347	\$3,042	\$2,553	\$2,406	\$2,324	\$2,217
Medical	7,529	6,185	6,358	5,612	5,291	5,454	4,567
Life Insurance	1,772	1,695	1,461	1,692	1,871	1,878	2,099
Expendables	<u>36,950</u>	<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	(50,131)	(44,842)	(43,333)	(41,142)	(41,444)	(37,996)	(39,172)
Capital	<u>3,543</u>	<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	(\$53,674)	(\$47,925)	(\$46,176)	(\$43,774)	(\$43,728)	(\$40,742)	(\$41,309)
SOURCES OF FUNDS:							
Non-taxable receipts ²	26,891	24,740	21,684	28,277	28,575	36,175	23,687
Net non-farm income	36,213	31,380	27,289	29,857	29,840	35,649	21,796
Money borrowed	203,804	204,563	172,747	184,865	177,589	166,274	226,011
Total farm receipts	<u>379,183</u>	<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	\$646,091	\$584,921	\$506,669	\$546,696	\$528,968	\$530,561	\$571,526
USES OF FUNDS:							
Farm							
Interest paid	\$15,236	\$15,537	\$16,752	\$21,113	\$21,816	\$20,236	\$22,258
Other farm expenses	265,496	239,735	205,388	218,592	208,974	210,747	214,071
Machinery-bldg. purchases	<u>59,004</u>	<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	(\$339,736)	(\$298,297)	(\$258,238)	(\$280,237)	(\$262,988)	(\$254,943)	(\$272,412)
Principal payments	\$187,334	\$182,680	\$157,210	\$170,358	\$169,990	\$177,199	\$206,010
Income & S.S. tax	13,173	11,109	14,693	14,227	11,583	12,588	14,840
Savings & investment ³	52,166	44,901	30,351	38,104	40,678	45,082	36,997
Living expenses:							
Total Non-Capital	\$50,131	\$44,842	\$43,333	\$41,142	\$41,444	\$37,996	\$39,172
Capital	<u>3,543</u>	<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	(\$53,674)	(\$47,925)	(\$46,176)	(\$43,774)	(\$43,728)	(\$40,742)	(\$41,309)
TOTAL USE OF FUNDS	\$646,084	\$584,913	\$506,668	\$546,700	\$528,966	\$530,555	\$571,568
Balancing error	-7	-8	-1	3	-2	-6	42

¹ Total tillable operator acres for 1998-2004.

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, 2004, by Number in Family and All Families.

<i>Item</i>	<i>Number in Family</i>			<i>All Families</i>
	1 - 2	3 - 5	>5	2004
Number of families	78	52	6	136
Age of operator	61	46	41	54
Number in family	1.9	3.8	6.0	2.8
Age of oldest dependent child	20	17	16	17
Total tillable operator acres ¹	625	912	852	745
Value of feed fed	\$22,690	\$31,786	\$104,816	\$29,791
Net farm income	\$54,496	\$90,237	\$113,951	\$70,785
FAMILY LIVING EXPENSE:				
Contributions	\$4,372	\$3,300	\$2,524	\$3,881
Medical	7,767	6,973	9,250	7,529
Life Insurance	1,816	1,838	622	1,772
Expendables	<u>31,537</u>	<u>45,011</u>	<u>37,466</u>	<u>36,950</u>
Total Non-Capital.	(45,492)	(57,121)	(49,861)	(50,131)
Capital.	<u>2,911</u>	<u>3,752</u>	<u>9,949</u>	<u>3,543</u>
Total Living Expenses	(\$48,403)	(\$60,873)	(\$59,810)	(\$53,674)
SOURCES OF FUNDS:				
Non-taxable receipts ²	\$26,494	\$29,310	\$11,086	\$26,891
Net non-farm income	33,169	43,870	9,429	36,213
Money borrowed	147,285	273,592	333,731	203,804
Total farm receipts	<u>293,927</u>	<u>489,499</u>	<u>531,442</u>	<u>379,183</u>
TOTAL SOURCE ALL FUNDS	\$500,875	\$836,270	\$885,688	\$646,091
USES OF FUNDS:				
Farm				
Interest paid	\$13,661	\$17,155	\$19,084	\$15,236
Other farm expenses	192,526	362,693	371,724	265,496
Machinery-bldg. purchases	<u>46,010</u>	<u>74,131</u>	<u>96,830</u>	<u>59,004</u>
Total Farm Expenditures	(\$252,197)	(\$453,979)	(\$487,638)	(\$339,736)
Principal payments	\$134,565	\$253,366	\$301,048	\$187,334
Income & S.S. tax	11,296	16,920	5,105	13,173
Savings & investment ³	54,409	51,122	32,072	52,166
Living expenses:				
Total Non-Capital	\$45,492	\$57,121	\$49,861	\$50,131
Capital	<u>2,911</u>	<u>3,752</u>	<u>9,949</u>	<u>3,543</u>
Total Living Expense	(\$48,403)	(\$60,873)	(\$59,810)	(\$53,674)
TOTAL USE OF FUNDS	\$500,871	\$836,260	\$885,672	\$646,084
Balancing error	-4	-10	-16	-7

¹ Total tillable operator acres for 2004.

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, 2004, 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	8	18	38
Age of operator	36	43	49
Number in family	4.1	3.9	3.7
Age of oldest dependent child	7	14	21
Total tillable operator acres ¹	450	1124	884
Value of feed fed	\$56,768	\$25,400	\$42,941
Net farm income	\$78,946	\$105,732	\$87,142
FAMILY LIVING EXPENSE:			
Contributions	\$2,540	\$5,385	\$2,595
Medical	6,616	6,632	7,438
Life Insurance	2,368	2,030	1,498
Expendables	<u>31,888</u>	<u>45,107</u>	<u>46,199</u>
Total Non-Capital	(43,412)	(59,153)	(57,730)
Capital	<u>4,143</u>	<u>2,886</u>	<u>4,850</u>
Total Living Expenses	(\$47,555)	(\$62,039)	(\$62,580)
SOURCES OF FUNDS:			
Non-taxable receipts ²	\$21,599	\$14,288	\$33,675
Net non-farm income	5,142	40,455	44,754
Money borrowed	159,572	306,484	278,484
Total farm receipts	<u>399,088</u>	<u>540,012</u>	<u>474,259</u>
TOTAL SOURCE ALL FUNDS	\$585,400	\$901,238	\$831,172
USES OF FUNDS:			
Farm			
Interest paid	\$13,150	\$20,502	\$17,687
Other farm expenses	281,124	404,710	343,227
Machinery-bldg. purchases	<u>53,727</u>	<u>89,719</u>	<u>67,153</u>
Total Farm Expenditures	(\$348,001)	(\$514,931)	(\$428,068)
Principal payments	\$140,239	\$256,466	\$267,167
Income & S.S. tax	8,436	12,743	18,514
Savings & investment ³	41,030	55,091	54,841
Living expenses:			
Total Non-Capital	\$43,412	\$59,153	\$57,730
Capital	<u>4,143</u>	<u>2,886</u>	<u>4,850</u>
Total Living Expense	(\$47,555)	(\$62,039)	(\$62,580)
TOTAL USE OF FUNDS	\$585,262	\$901,271	\$831,169
Balancing error	-138	32	-3

¹ Total tillable operator acres for 2004.

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, 2004, 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	17	17
Age of operator	45	46
Number in family	4.0	3.9
Age of oldest dependent child	18	16
Total tillable operator acres ¹	1,141	663
Value of feed fed	\$24,586	\$20,421
Net farm income	\$115,562	\$48,002
FAMILY LIVING EXPENSE:		
Contributions	\$5,188	\$2,375
Medical	10,031	5,368
Life Insurance	2,444	1,337
Expendables	<u>63,538</u>	<u>25,948</u>
Total Non-Capital.	(81,201)	(35,028)
Capital.	<u>5,796</u>	<u>2,148</u>
Total Living Expenses	(\$86,998)	(\$37,176)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$21,634	\$42,585
Net non-farm income	92,262	24,269
Money borrowed	320,621	174,987
Total farm receipts	<u>617,916</u>	<u>326,372</u>
TOTAL SOURCE ALL FUNDS	\$1,052,432	\$568,213
USES OF FUNDS:		
Farm		
Interest paid	\$21,412	\$11,149
Other farm expenses	476,884	245,646
Machinery-bldg. purchases	<u>89,394</u>	<u>56,192</u>
Total Farm Expenditures	(\$587,690)	(\$312,988)
Principal payments	\$300,774	\$145,969
Income & S.S. tax	28,084	9,800
Savings & investment ³	48,821	62,281
Living expenses:		
Total Non-Capital	\$81,201	\$35,028
Capital	<u>5,796</u>	<u>2,148</u>
Total Living Expense	(\$86,998)	(\$37,176)
TOTAL USE OF FUNDS	\$1,052,368	\$568,213
Balancing error	-65	0

¹ Total tillable operator acres for 2004.

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, 2004, by Operator Tillable Acres In Farm and by High-Low 1/3 Living Expenses for 300-600 Acre Size.

Item	Operator Tillable Acres in Farm			Non-Capital Living Expenses	
	Under			300-600 Operator Tillable Acres	
	300	300-600	600+	High 1/3	Low 1/3
Number of families	32	40	63	13	13
Age of operator	55	60	50	58	64
Number in family	2.6	2.5	3.1	2.8	2.4
Age of oldest dependent child	16	15	18	18	13
Total tillable operator acres ¹	160	428	1,255	413	464
Value of feed fed	\$34,684	\$29,249	\$28,122	\$31,216	\$32,248
Net farm income	\$31,045	\$45,369	\$108,501	\$58,775	\$35,539
FAMILY LIVING EXPENSE:					
Contributions	\$3,033	\$4,227	\$4,131	\$6,883	\$2,207
Medical	7,083	7,240	8,027	7,963	5,755
Life Insurance	1,475	1,453	2,143	2,326	769
Expendables	<u>28,338</u>	<u>30,753</u>	<u>45,331</u>	<u>47,361</u>	<u>16,257</u>
Total Non-Capital	(39,929)	(43,673)	(59,632)	(64,533)	(24,988)
Capital	<u>2,959</u>	<u>3,477</u>	<u>3,938</u>	<u>8,387</u>	<u>446</u>
Total Living Expenses	(\$42,887)	(\$47,150)	(\$63,570)	(\$72,920)	(\$25,433)
SOURCES OF FUNDS:					
Non-taxable receipts ²	\$15,409	\$33,108	\$29,196	\$23,988	\$23,063
Net non-farm income	29,873	31,270	37,731	47,073	28,272
Money borrowed	68,097	102,531	340,270	136,967	50,327
Total farm receipts	<u>191,019</u>	<u>211,102</u>	<u>587,495</u>	<u>270,624</u>	<u>191,640</u>
TOTAL SOURCE ALL FUNDS	\$304,398	\$378,010	\$994,692	\$478,651	\$293,303
USES OF FUNDS:					
Farm					
Interest paid	\$5,412	\$10,953	\$23,069	\$13,793	\$10,391
Other farm expenses	137,223	137,088	416,370	177,059	121,928
Machinery-bldg. purchases	<u>19,082</u>	<u>29,398</u>	<u>98,748</u>	<u>22,382</u>	<u>26,394</u>
Total Farm Expenditures	(\$161,717)	(\$177,440)	(\$538,187)	(\$213,234)	(\$158,713)
Principal payments	\$75,610	\$92,024	\$303,285	\$137,212	\$61,453
Income & S.S. tax	7,395	7,879	19,559	11,869	7,109
Savings & investment ³	16,750	53,509	70,099	43,418	40,596
Living expenses:					
Total Non-Capital	\$39,929	\$43,673	\$59,632	\$64,533	\$24,988
Capital	<u>2,959</u>	<u>3,477</u>	<u>3,938</u>	<u>8,387</u>	<u>446</u>
Total Living Expense	(\$42,887)	(\$47,150)	(\$63,570)	(\$72,920)	(\$25,433)
TOTAL USE OF FUNDS	\$304,360	\$378,002	\$994,701	\$478,653	\$293,303
Balancing error	-38	-8	9	2	0

¹ Total tillable operator acres for 2004.

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, 2004, 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	4	68
Age of operator	36	64
Number in family	1.8	1.9
Age of oldest dependent child	NA	NA
Total tillable operator acres ¹	607	609
Value of feed fed	\$23,356	\$20,809
Net farm income	\$132,855	\$47,783
FAMILY LIVING EXPENSE:		
Contributions	\$3,915	\$4,357
Medical	4,030	8,130
Life Insurance	0	1,891
Expendables	<u>33,956</u>	<u>30,394</u>
Total Non-Capital.	(41,901)	(44,771)
Capital.	<u>5,006</u>	<u>2,830</u>
Total Living Expenses	(\$46,906)	(\$47,601)
SOURCES OF FUNDS:		
Non-taxable receipts ²	\$7,350	\$28,209
Net non-farm income	25,068	34,629
Money borrowed	177,543	141,640
Total farm receipts	<u>506,668</u>	<u>273,639</u>
TOTAL SOURCE ALL FUNDS	\$716,628	\$478,116
USES OF FUNDS:		
Farm		
Interest paid	\$12,489	\$12,880
Other farm expenses	360,699	177,768
Machinery-bldg. purchases	<u>74,559</u>	<u>46,026</u>
Total Farm Expenditures	(\$447,747)	(\$236,674)
Principal payments	\$174,669	\$130,708
Income & S.S. tax	13,384	10,848
Savings & investment ³	33,921	52,281
Living expenses:		
Total Non-Capital	\$41,901	\$44,771
Capital	<u>5,006</u>	<u>2,830</u>
Total Living Expense	(\$46,906)	(\$47,601)
TOTAL USE OF FUNDS	\$716,628	\$478,111
Balancing error	-1	-5

¹ Total tillable operator acres for 2004.

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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