



Republic of the Philippines
Department of Agriculture
BUREAU OF AGRICULTURAL STATISTICS



Income and Expenditures of Farm Households in the Philippines, 2002-2003



Department of Agriculture
BUREAU OF AGRICULTURAL STATISTICS
Agricultural Accounts and Statistical Indicators Division (AASID)
Socio-Economic Statistics Section (SESS)
1184 Ben-Lor Bldg., Quezon Avenue, Quezon City
infobas@mozcom.com

<http://www.bas.gov.ph>

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FOREWORD

This report has been generated from the results of the Integrated Farm Household Survey (IFHS) which collected important benchmark characteristics of farms and farming population in the country. The IFHS covered 5,920 farm households nationwide except in Batanes and Lanao del Sur. Details of the survey including its methodology and statistical outputs are found in the main report entitled "Socio-Economic Characteristics of Farm households in the Philippines".

In particular, this report presents information on household income and expenditures as well as their relationships which are determined using regression analysis. It has been designed to serve as a handy reference material for agricultural development planning and policy formulation.

The Bureau of Agricultural Statistics (BAS) wishes to extend its most sincere appreciation to the Bureau of Agricultural Research (BAR) for the financial support it has provided for the preparation of this report.

 ROMEO S. RECIDÉ
Director

APPENDIX

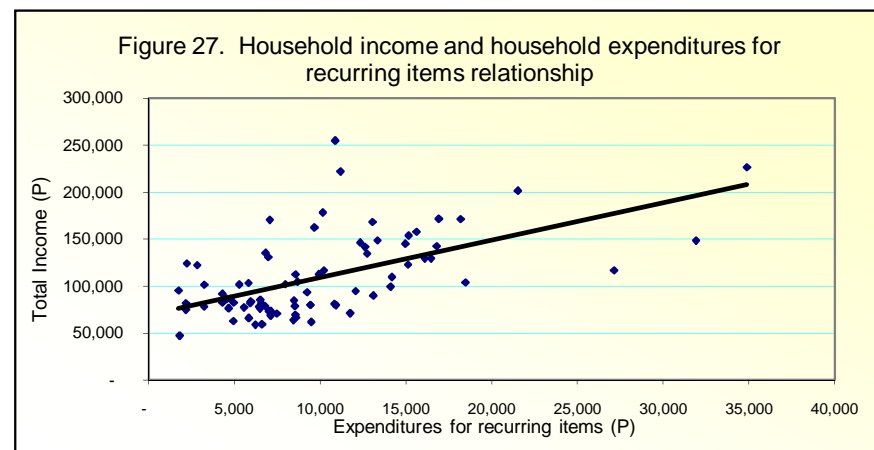
REGRESSION RESULTS

<u>Dependent variable</u>	<u>Coefficient of total income</u>	<u>P-Value of Coefficient</u>
1. Total expenditures*	0.30	0.0000
2. Expenditure for Food	0.12	0.0000
2. Expenditure for recurring items	0.08	0.0000
3. Expenditure for non-recurring items	0.09	0.0000

*Exclude expenditures on farms

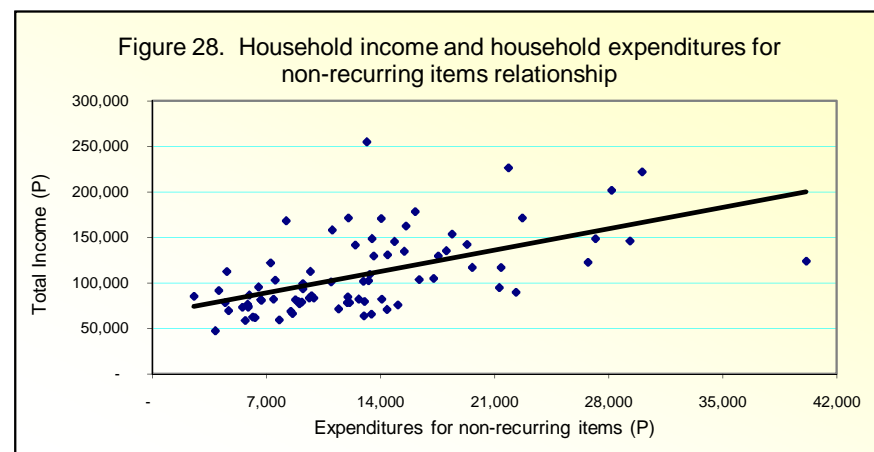
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C. Total Income and Expenditures for Recurring Items



☞ Farm households' expenditures for recurring items (fuel, light, water, etc.) will increase by 8 centavos for every one peso increase in total income.

D. Total Income and Expenditures for Non-recurring items



☞ A one peso increase in the total income of household will increase the expenditures for non-recurring items (clothing, education, recreation etc.) by 9 centavos.

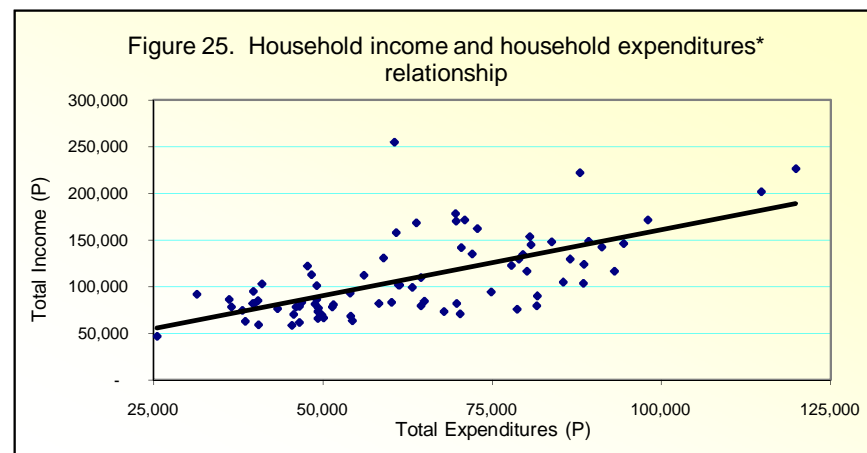
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HOUSEHOLD INCOME AND EXPENDITURES RELATIONSHIP

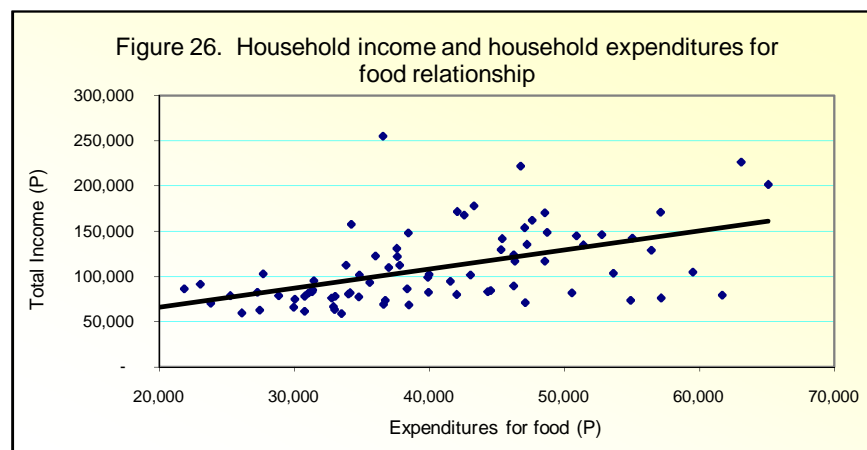
A. Total Income and Total Expenditures



*Exclude expenditures on farm

☞ With a one peso increase in farm household income, total expenditures (food, recurring and non-recurring expenses) will increase by 30 centavos.

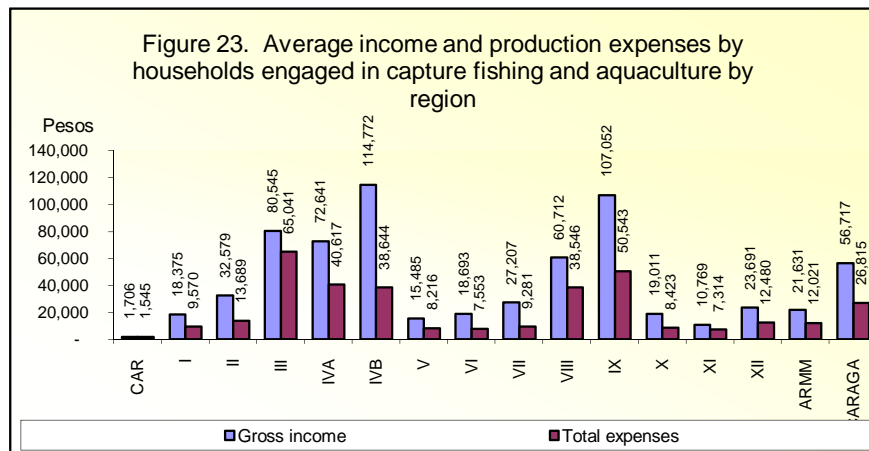
B. Total Income and Expenditures for food



☞ Expenditures for food will increase by 12 centavos for every one peso increase in the total income.

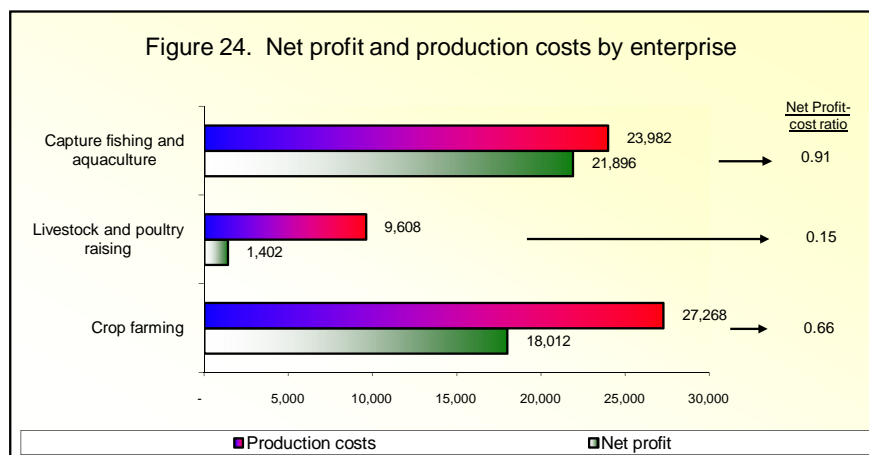
COMPARATIVE FARM INCOME AND EXPENDITURES

C. Capture Fishing and Aquaculture



➞ Farm households in MIMAROPA reported the highest net income from capture fishing and aquaculture at P76,128 while farm households in CAR recorded the lowest at P161.

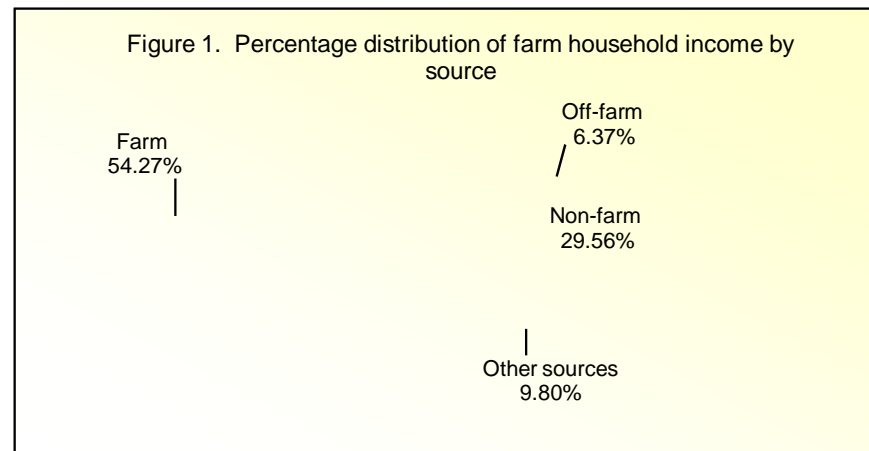
D. Net Profit-Cost Ratio



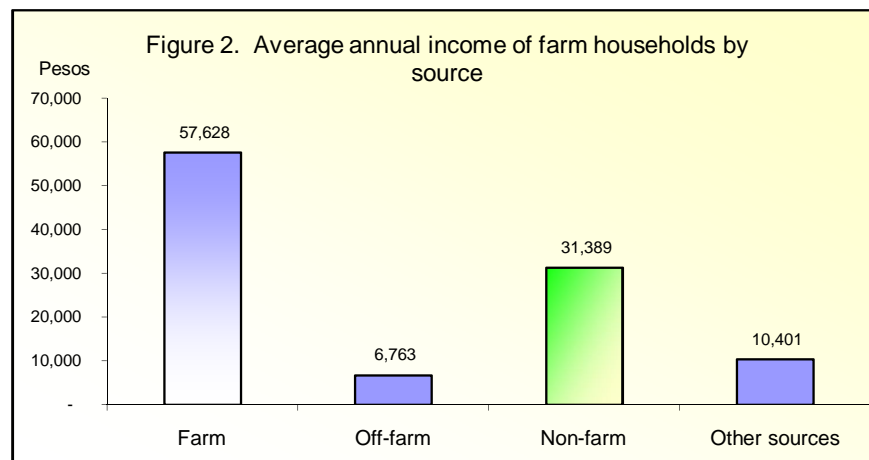
➞ Ratio of net profit to production cost by farm enterprise was highest in capture fishing and aquaculture at 0.91 and lowest in livestock and poultry raising at 0.15.

FARM HOUSEHOLD INCOME

A. Structure of Farm Household Income



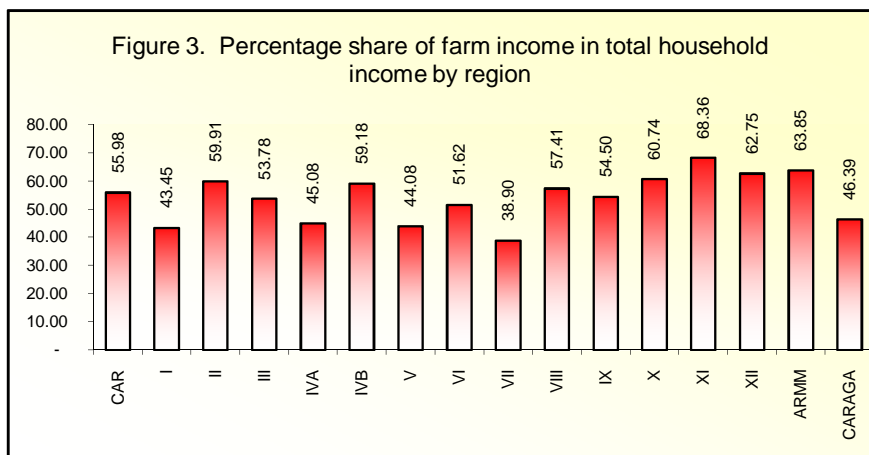
➞ The bulk of the farm household income or 54.27 percent came from farming. Non-farm income contributed 29.56 percent, off-farm income shared 6.37 percent, and the rest came from other sources.



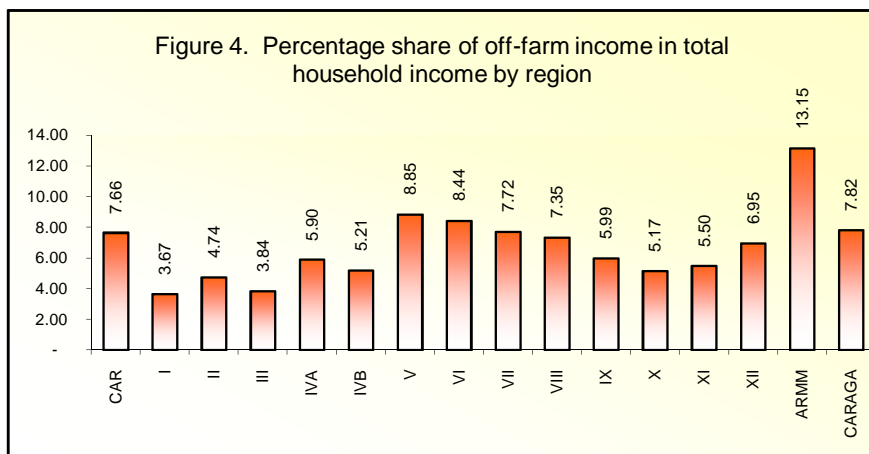
➞ Average income derived from farming was P57,628; from off-farm activities, P6,763; from non-farm employment, P31,389; and from other sources, P10,401.

FARM HOUSEHOLD INCOME

B. Regional Structure of Household Income



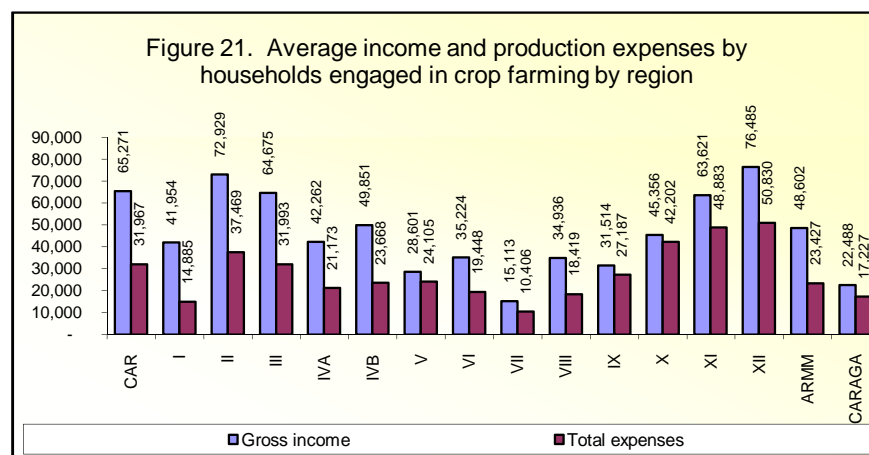
The share of farm income in total household income was highest in Davao Region at 68.36 percent. The lowest was in Central Visayas at 38.90 percent



Off-farm income as percentage of total household income was highest in ARMM at 13.15 percent. Farm households in Ilocos Region had the lowest share at 3.67 percent.

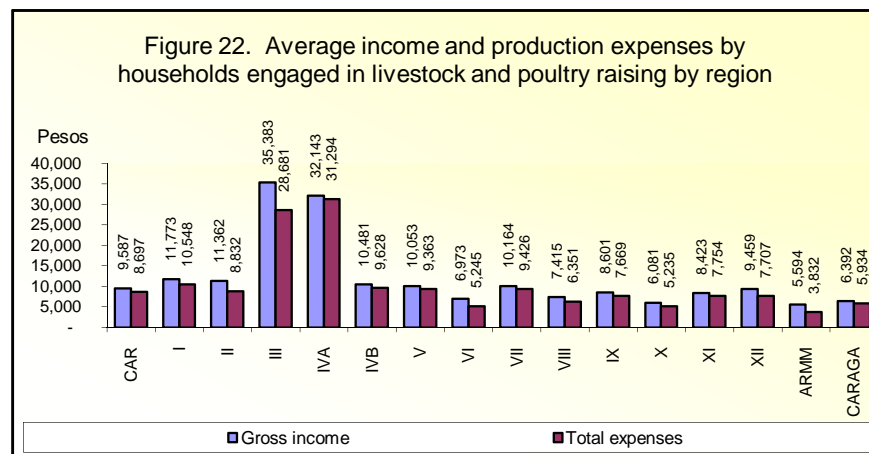
COMPARATIVE FARM INCOME AND EXPENDITURES

A. Crop Farming



Highest net income on crop production was reported in Cagayan Valley at P35,459. The lowest was recorded in Northern Mindanao at P3,154.

B. Livestock and Poultry Raising

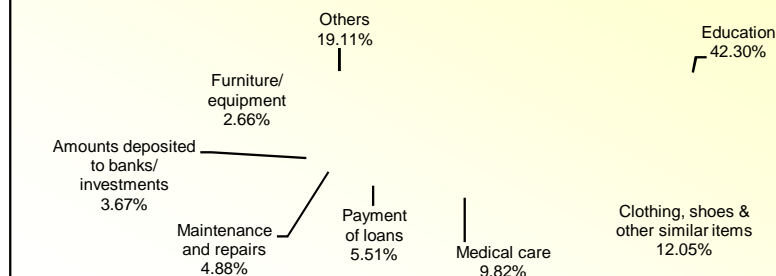


Net income of farm households from livestock and poultry raising was highest in Central Luzon at P6,702 and was lowest in CARAGA at P458.

HOUSEHOLD EXPENDITURES

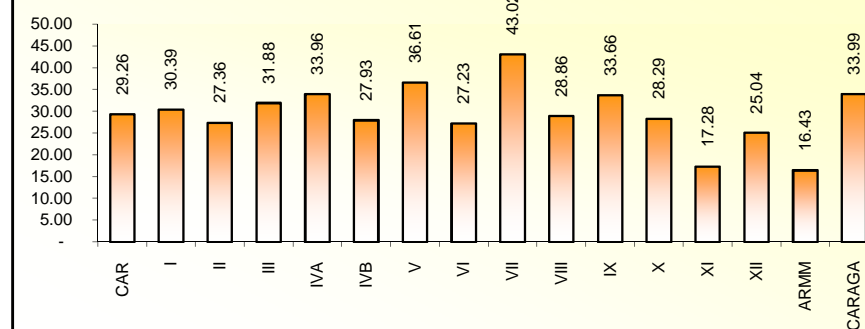
D. Structure of Household Expenditures for Non-recurring Items

Figure 19. Percentage distribution of household expenditures for non-recurring items by type



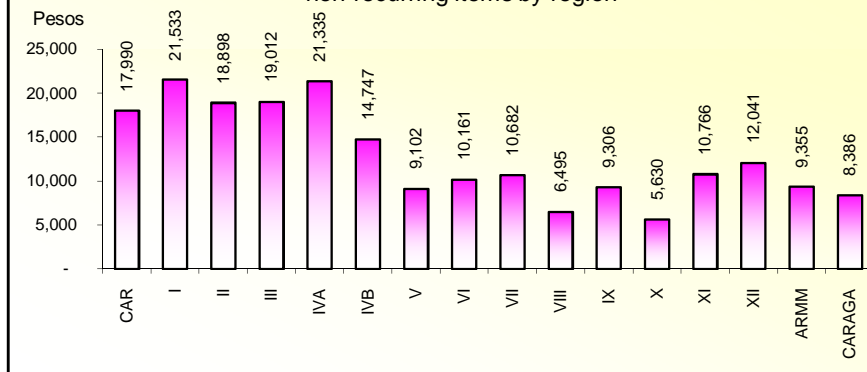
The bulk of non-recurring expenses of farm households went to education at 42.30 percent. Expenditures for clothing, shoes and similar items shared 12.05 percent; medical care, 9.82 percent; and payment of loans, 5.51 percent. Each of the remaining non-recurring items shared less than 5 percent.

Figure 5. Percentage share of non-farm income in total household income by region



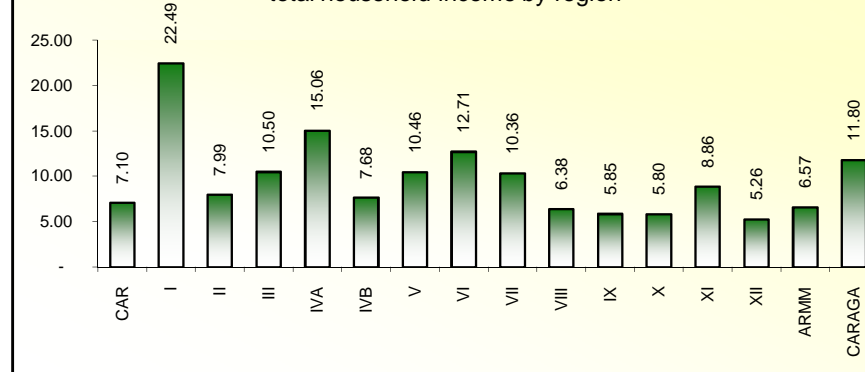
Percentage share of non-farm income in total household income was highest in Central Visayas at 43.02 percent and lowest in ARMM at 16.43 percent.

Figure 20. Average annual expenditures of farm households for non-recurring items by region



Average expenditures for non-recurring items were highest in Ilocos Region and CALABARZON at P21,533 and P21,335, respectively. The lowest non-recurring expenses were reported by households in Northern Mindanao at an average of P5,630.

Figure 6. Percentage share of income from other sources in total household income by region



Highest percentage share of income from other sources in total household income was reported by farm households in Ilocos Region at 22.49 percent. Lowest was in SOCCSKSARGEN at 5.26 percent.

FARM HOUSEHOLD INCOME

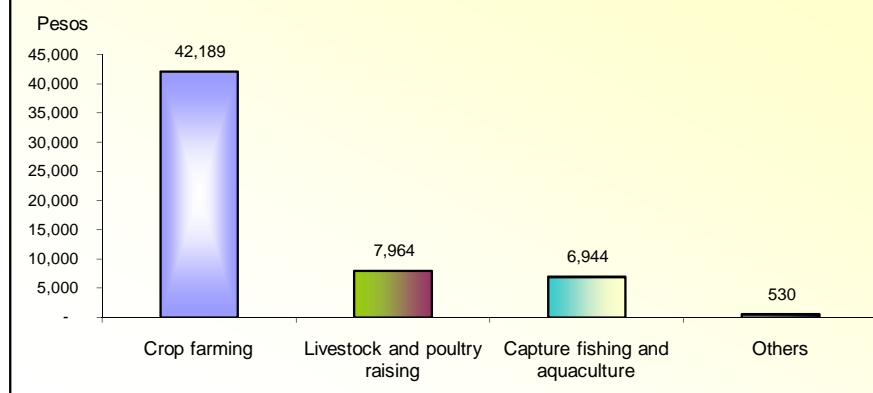
C. Structure of Farm Income

Figure 7. Percentage distribution of farm income by enterprise



➡ Crop farming contributed 73.21 percent to total farm income, livestock and poultry raising shared 13.82 percent, capture fishing and aquaculture provided 12.05 percent while special agricultural activities and home processing of agricultural products shared only 0.92 percent.

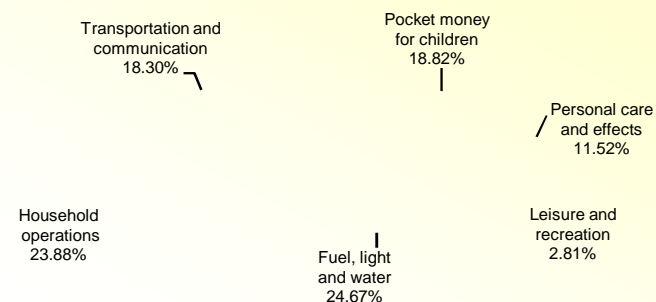
Figure 8. Average income of farm households by enterprise



➡ Average income of farm households derived from crop farming was P42,189, P7,964 from livestock and poultry raising, P6,944 from capture fishing and aquaculture, and P530 from special agricultural activities and home processing of agricultural products.

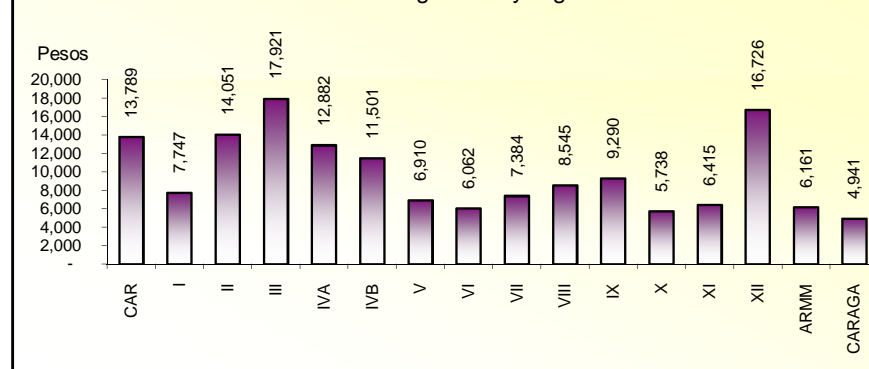
C. Structure of Household Expenditures for Recurring Items

Figure 17. Percentage distribution of household expenditures for recurring items by type



➡ Light, fuel and water accounted for the biggest share of the total recurring expenses at 24.67 percent while expenditures on leisure and recreation accounted for the lowest at 2.81 percent.

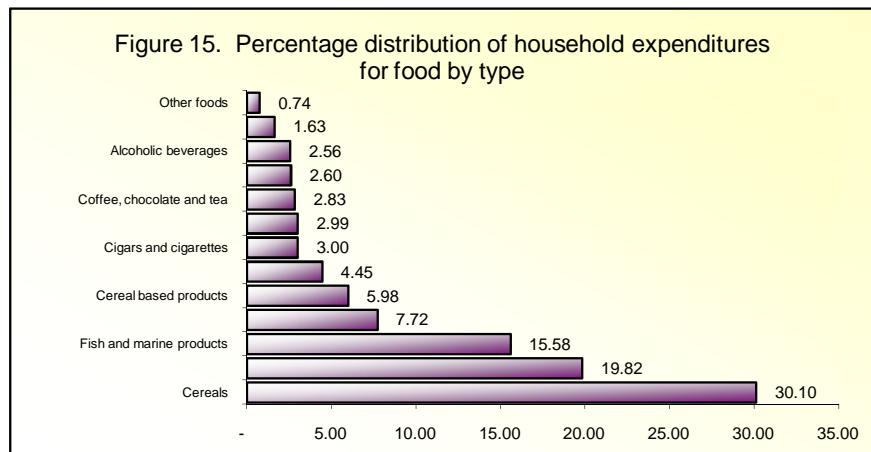
Figure 18. Average annual expenditures of farm households for recurring items by region



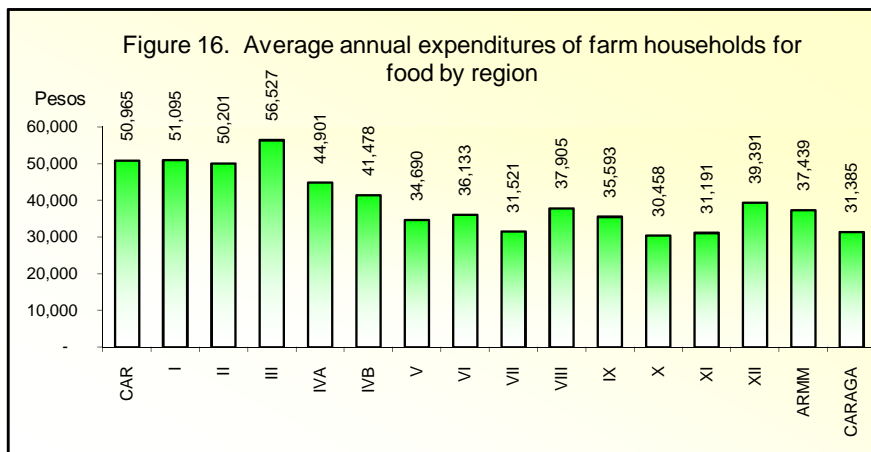
➡ Farm households in Central Luzon spent the highest for recurring items at P17,921. They were followed by households in SOCCSKSARGEN who spent P16,726. Lowest expenditure for recurring items was reported by households in CARAGA at P4,941.

HOUSEHOLD EXPENDITURES

B. Structure of Household Expenditures for Food Items

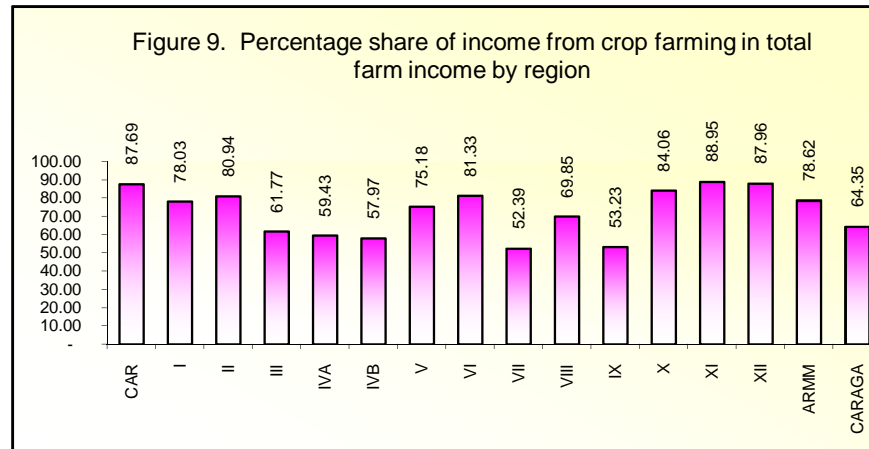


Cereals accounted for the biggest share in food expenditures of households at 30.10 percent. Expenditures for meat and meat preparations followed with 19.82 percent while fish and marine products shared 15.58 percent. Each of the remaining food items accounted for less than 8 percent.

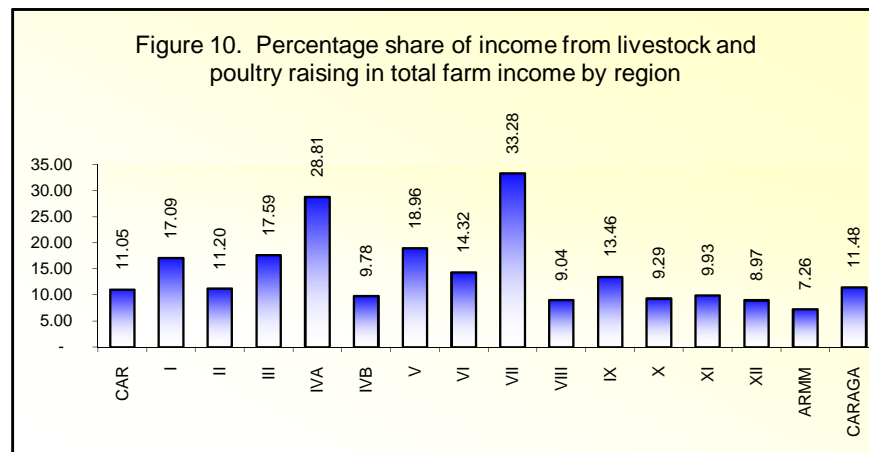


Farm households in Central Luzon reported the biggest amount of expenditures for food at P56,527 while farm households in Northern Mindanao reported the lowest at P30,458.

D. Regional Structure of Farm Income



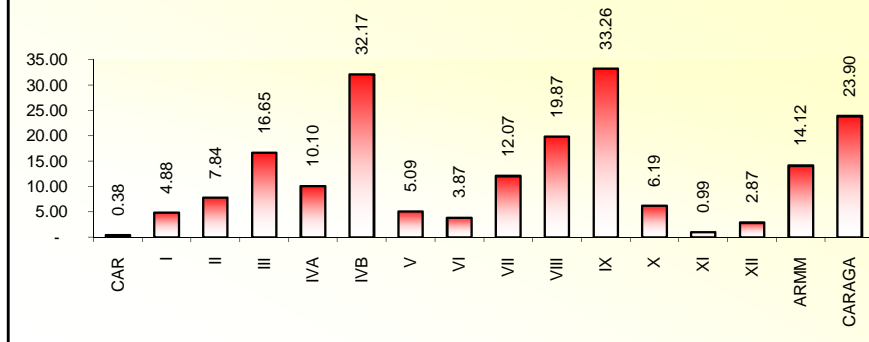
Income from crop farming as percentage of total farm income was highest in Davao Region at 88.95 percent. The lowest was in Central Visayas at 52.39 percent.



Households in Central Visayas had the highest share of income from livestock and poultry raising in total farm income at 33.28 percent. Households in ARMM had the lowest at 7.26 percent.

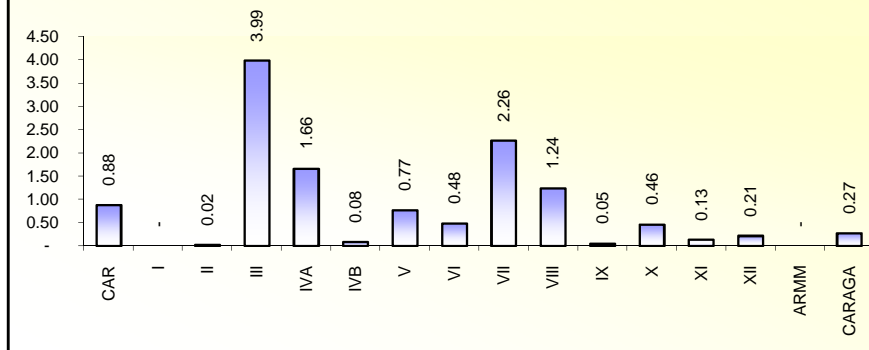
FARM HOUSEHOLD INCOME

Figure 11. Percentage share of income from capture fishing and aquaculture in total farm income by region



Households in Zamboanga Peninsula had the highest share of income from capture fishing and aquaculture in total farm income at 33.26 percent. The lowest was in CAR at 0.38 percent.

Figure 12. Percentage share of income from other sources* in total farm income by region



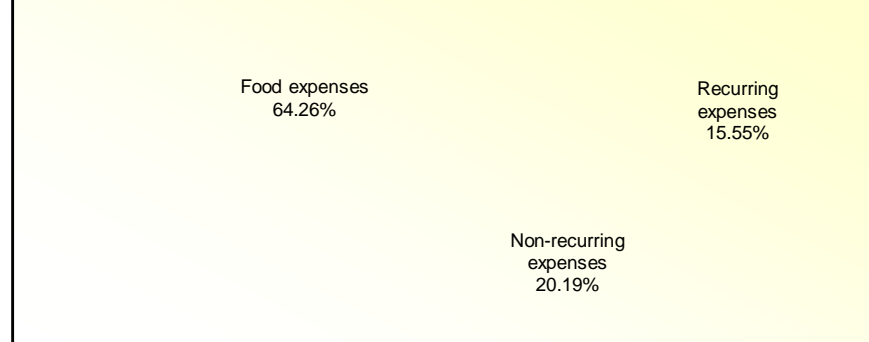
* Include special agricultural activities and home processing of agricultural products

Income from special agricultural activities and home processing of agricultural products as percentage of total farm income was highest in Central Luzon at 3.99 percent. No similar income was reported in Ilocos Region and ARMM.

HOUSEHOLD EXPENDITURES

A. Structure of Household Expenditures

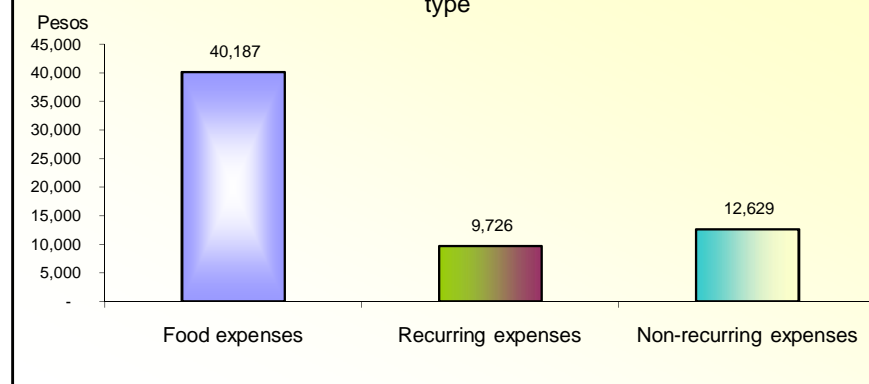
Figure 13. Percentage distribution of household expenditures* by type



*Exclude farm expenditures

Household expenditures for food accounted for the biggest proportion at 64.26 percent. Recurring and non-recurring expenditures shared 15.55 percent and 20.19 percent, respectively.

Figure 14. Average annual expenditure of farm households by type



Average annual expenditures for food amounted to P40,187. Recurring and non-recurring expenses averaged P9,726 and P12,629, respectively.