

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Farm Income and Expenses

▶ Attach to Form 1040, Form 1041, Form 1041S, or Form 1065.

▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

1987

Attachment
Sequence No. **14**

Name of proprietor	Social security number (SSN) : : :
A Principal Product (Describe in one or two words your principal crop or output for the current tax year.)	B Agricultural Activity Code (from Part IV) ▶
C Accounting Method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	D Employer ID number (Not SSN) : : :
E Did you make an election in a prior year to include commodity credit loan proceeds as income in that year? <input type="checkbox"/> Yes <input type="checkbox"/> No	
F Did you "materially participate" in the operation of this business during 1987? (See Instructions for limitation on losses.) <input type="checkbox"/> Yes <input type="checkbox"/> No If "No" and you have a loss on line 37, you must attach Form 8582.	
G Are you electing not to capitalize certain preproductive period expenses? (New rules apply to these expenses, see Instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I Farm Income—Cash Method—Complete Parts I and II

(Accrual method taxpayers complete Parts II and III, and line 12 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1 Sales of livestock and other items you bought for resale	1				
2 Cost or other basis of livestock and other items you bought for resale	2				
3 Subtract line 2 from line 1				3	
4 Sales of livestock, produce, grains, and other products you raised				4	
5 a Total distributions received from cooperatives (from Form 1099-PATR)	5a				
b Less: Nonincome items	5b				
6 Net distributions. Subtract line 5b from line 5a				6	
7 Agricultural program payments:					
a Cash				7a	
b Materials and services				7b	
8 Commodity credit loans under election (or forfeited)				8	
9 Crop insurance proceeds. If election attached to include in income in year following damage, check here ▶ <input type="checkbox"/>				9	
10 Machine work (custom hire) income				10	
11 Other income, including Federal and state gasoline tax credit or refund (see Instructions)				11	
12 Gross income. Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 52. ▶				12	

Part II Farm Deductions—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.)

13 Breeding fees					
14 Chemicals					
15 Conservation expenses (you must attach Form 8645)					
16 Depreciation and section 179 expense deduction (from Form 4562)					
17 Employee benefit programs other than on line 26					
18 Feed purchased					
19 Fertilizers and lime					
20 Freight, trucking					
21 Gasoline, fuel, oil					
22 Insurance					
23 Interest:					
a Mortgage (paid to financial institutions)					
b Other					
24 a Labor hired					
b Jobs credit					
c Net labor hired (subtract line 24b from line 24a)					
25 Machine (custom) hire					
26 Pension and profit-sharing plans					
27 Rent of farm, pasture					
28 Repairs, maintenance					
29 Seeds, plants purchased					
30 Storage, warehousing					
31 Supplies purchased					
32 Taxes					
33 Utilities					
34 Veterinary fees, medicine					
35 Other expenses (specify):					
a _____					
b _____					
c _____					
36 Total deductions from Part II. Add amounts in columns for lines 13 through 35c ▶				36	
37 Net farm profit or (loss). Subtract line 36 from line 12. If a profit, enter on Form 1040, line 18, and on Schedule SE, line 1. If a loss, you MUST go on to line 38. (Fiduciaries and partnerships, see Instructions.)				37	

38 If you have a loss, you **MUST** answer this question: "Do you have amounts for which you are not at risk in this business?" (See Instructions.) Yes No
If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 18, and on Schedule SE, line 1.

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include them on line 47 below.

39	Sales of livestock, produce, grains, and other products during year				39		
40a	Total distributions received from cooperatives (from Form 1099-PATR)	40a					
b	Less: Nonincome items	40b					
41	Net distributions. Subtract line 40b from line 40a				41		
42	Agricultural program payments:						
a	Cash				42a		
b	Materials and services				42b		
43	Commodity credit loans under election (or forfeited)				43		
44	Machine work (custom hire) income				44		
45	Other income, including Federal and state gasoline tax credit or refund (see Instructions)				45		
46	Total. Add amounts on lines 39 and 41 through 45				46		
47	Inventory of livestock, produce, grains, and other products at beginning of year	47					
48	Cost of livestock, produce, grains, and other products purchased during year	48					
49	Add lines 47 and 48	49					
50	Inventory of livestock, produce, grains, and other products at end of year	50					
51	Cost of livestock, produce, grains, and other products sold. Subtract line 50 from line 49*				51		
52	Gross income. Subtract line 51 from line 46. Enter here and on Part I, line 12 ▶				52		

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 50 is larger than the amount on line 49, subtract line 49 from line 50. Enter the result on line 51 and add lines 46 and 51. Enter the total on line 52.

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on line B on page 1 of this schedule. (Note: If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file **Schedule C** (Form 1040), Profit or (Loss) From Business or Profession.)

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|-----|---|-----|--|
| 120 | Field crop , including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc. | 211 | Beefcattle feedlots |
| 160 | Vegetables and melons , garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc. | 212 | Beefcattle , except feedlots |
| 170 | Fruit and tree nuts , including grapes, berries, olives, etc. | 215 | Hogs, sheep, and goats |
| 180 | Ornamental floriculture and nursery products | 240 | Dairy |
| 185 | Food crops grown under cover , including hydroponic crops | 250 | Poultry and eggs , including chickens, ducks, pigeons, quail, etc. |
| | | 260 | General livestock , not specializing in any one livestock category |
| | | 270 | Animal specialty , including fur-bearing animals, pets, horses, etc. |
| | | 280 | Animal aquaculture , including fish, shellfish, mollusks, frogs, etc., produced within confined space |
| | | 290 | Forest products , including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products |
| | | 300 | Agricultural production , not specified |