

Idaho Livestock and Crop Revenues

Cattle and Calves

Revenue from cattle and calves is estimated at \$1.50 billion, up 8% from 2012. Prices throughout the year averaged the same as in 2012. The January 1 inventory of beef cows was 510,000 in 2013, up 9% from 2012.

Milk

Idaho is third in the nation for milk production, with an output of 13.5 billion pounds in 2013. Milk is Idaho's top revenue producer, with 2013 revenues estimated at \$2.57 billion, up \$151 million from 2012. Production was down 0.3% from 2012, and prices averaged 6% higher. The January 1 milk cow inventory was 580,000 in 2013, down 1,000 from 2012.

Barley

Idaho barley production in 2013 increased an estimated 4% from 2012, and the average barley price is projected to be 6% higher. Barley revenues are estimated to be \$337 million, an increase of 10% from 2012. The state's average yield is estimated to be 93 bushels per acre, up 2 bushels per acre from 2012.

Dry Beans

Dry bean revenues are estimated at \$104 million for 2013, 12% higher than in 2012. Average yields of 1,900 pounds per acre are 200 pounds lower, and growers harvested 25,000 fewer acres than in 2012.

Hay

Hay remained Idaho's third-most-valuable crop. Revenues are projected to be \$539 million, up 6% from 2012. Hay production was up 8% to an estimated 5.2 million tons. Strong demand from dairies and export markets kept Idaho's hay prices near record levels. The average price was \$193 per ton, down \$1 per ton from 2012.

Potatoes

Potatoes remain Idaho's largest source of crop revenue, with 2013 revenues estimated to be \$965 million in 2013, 1% higher than in 2012. Potato production is estimated to be 133 million cwt, down 6% from 2012. Yields averaged 421 cwt per acre in 2013, up 9 cwt per acre from the previous year, and the average price is estimated to be up 1% to \$7.80 per cwt.

Sugarbeets

Sugarbeet revenues are estimated at \$251 million, down 23% from 2012. Sugarbeet production is projected to be 6.28 million tons, down 2% from 2012. Growers harvested 8,000 fewer acres than in 2012. Idaho's projected 2013 beet price of \$40 per ton is 21% lower than the previous year's average price.

Wheat

Wheat was Idaho's second-largest crop by revenue in 2013. Revenues are expected to be \$732 million, down 8% from 2012's record high. Projected at 102 million bushels, 2013 production was up 4% from 2012. Wheat prices fell 1%, with the average price estimated to be \$7.40 per bushel in 2013.

Idaho net farm income, by 2013 calendar year.

(\$ millions)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change ('12-'13)
REVENUES											
Crop Production	1,865	1,923	2,169	2,438	2,807	2,645	2,673	3,387	3,590	3,540	-1%
Livestock Production	2,541	2,594	2,421	3,282	3,410	2,499	3,217	3,981	3,997	4,284	7%
Services & Forestry	387	521	548	560	534	685	507	617	614	654	7%
Government Payments	153	191	141	121	151	140	164	113	127	105	-17%
Home Consumption	7	7	7	6	7	6	7	7	8	9	6%
Inventory Adjustment	135	-49	56	21	38	145	-52	134	226	56	-75%
TOTAL REVENUES	5,088	5,186	5,341	6,427	6,946	6,121	6,515	8,239	8,562	8,647	1%
EXPENSES											
Farm Origin Inputs	984	1,039	1,157	1,378	1,407	1,357	1,338	1,875	1,841	1,823	-1%
Manufactured Inputs	614	740	753	873	1,056	926	942	1,193	1,170	1,147	-2%
Other Inputs	769	890	1,056	1,096	1,122	1,152	1,021	1,041	1,087	1,174	8%
Vehicle Regist./Licensing	10	10	9	11	11	12	11	13	11	11	3%
Property Taxes	79	93	108	133	126	114	118	118	133	138	3%
Capital Consumption	330	366	394	397	415	437	444	462	492	486	-1%
Payments to Stakeholders	760	876	927	1,008	1,071	1,031	1,083	1,056	1,082	1,136	5%
TOTAL EXPENSES	3,547	4,015	4,406	4,897	5,208	5,029	4,956	5,758	5,817	5,914	2%
NET FARM INCOME	1,540	1,172	936	1,530	1,738	1,091	1,559	2,481	2,745	2,733	-0.5%
Year-to-Year Change	86%	-24%	-20%	64%	14%	-37%	43%	59%	11%	-0.5%	

SOURCES:

2004-2012: Economic Research Service/USDA

2012 and 2013: Forecasted by G. Taylor, P. Patterson, and B. Eborn, University of Idaho

NOTE: Some data for 2012 are preliminary and all 2013 data are preliminary.

Idaho cash receipts from farm marketings, by 2013 calendar year.

(\$ millions)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change ('12-'13)
LIVESTOCK											
Cattle and Calves	1,069	1,066	1,022	1,102	1,183	949	1,179	1,376	1,391	1,505	8%
Milk	1,358	1,418	1,283	2,050	2,101	1,431	1,899	2,433	2,422	2,573	6%
Other Livestock	114	110	116	129	126	119	139	172	184	205	12%
TOTAL LIVESTOCK	2,541	2,594	2,421	3,282	3,410	2,499	3,217	3,981	3,997	4,284	7%
CROPS											
Barley	149	157	129	144	232	224	199	213	306	337	10%
Dry Beans	34	46	36	40	55	57	60	81	93	104	12%
Hay	311	335	387	403	609	346	337	568	508	539	6%
Potatoes	516	516	664	714	770	767	770	937	956	965	1%
Sugarbeets	204	201	234	212	152	252	302	396	326	251	-23%
Wheat	334	336	350	486	512	537	543	670	798	732	-8%
Other Crops	421	446	499	602	583	578	586	630	603	611	1%
TOTAL CROPS	1,865	1,923	2,169	2,438	2,807	2,645	2,673	3,387	3,590	3,540	-1%
TOTAL CASH RECEIPTS	4,405	4,517	4,590	5,720	6,217	5,144	5,890	7,368	7,587	7,823	3%
Year-to-Year Change	12%	3%	2%	25%	9%	-17%	14%	25%	3%	3%	

SOURCES:

2004-2012: Idaho Agricultural Statistics Service

2012 and 2013: Forecasted by G. Taylor, P. Patterson, and B. Eborn, University of Idaho

NOTE: Some data for 2012 are preliminary and all 2013 data are preliminary.

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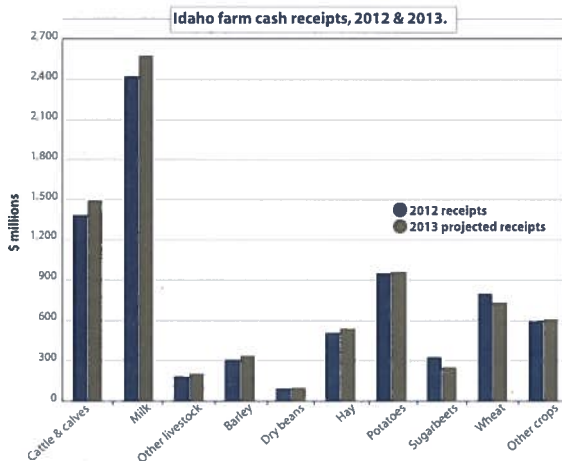
For the third consecutive year, agricultural cash receipts were at a record high.

Cash receipts from sales of crops and livestock in 2013 are projected to be \$7.82 billion, a 3% increase over 2012. Five of Idaho's major commodities (milk, cattle and calves, barley, dry beans, and potatoes) set records for cash receipts.

Idaho's 2013 net farm income is projected to be \$2.73 billion, relatively unchanged from 2012. Total revenues are expected to increase by 1% to \$8.65 billion, while expenses are projected to rise by 2% to \$5.91 billion.

Highlights:

- With cash receipts of \$7.82 billion, Idaho is the third-largest agricultural state in the West. As measured by sales, agribusiness is Idaho's largest industry. Farm income is projected to be stable (less than a 1% decrease), following an 11% increase in 2012 and a 59% increase in 2011.
- Idaho ranks first in U.S. potato production. With cash receipts of \$965 million, potatoes are Idaho's highest-value crop. Wheat and hay follow potatoes in projected cash receipts—\$732 million and \$539 million, respectively.
- Idaho's milk production ranks third in the nation. With \$2.57 billion in cash receipts, milk is the top source of cash receipts from Idaho's agricultural production. Second to milk are cash receipts from cattle and calves, \$1.50 billion.
- Estimated net farm income in 2013 is virtually unchanged from 2012. This follows three years of double-digit increases, 11%, 59%, and 43% in 2012, 2011, and 2010, respectively.
- With the exception of 2009, a year of poor milk prices, livestock cash receipts have surpassed crop cash receipts every year since 2001. In 2013, livestock cash receipts are estimated to be 55% of total cash receipts and to outweigh cash receipts from crops by \$744 million.
- Federal government payments in fiscal year 2013 are estimated at \$105 million, a decrease of 17% from 2012. Government payments were predominantly for production support (50%) and conservation programs (38%).

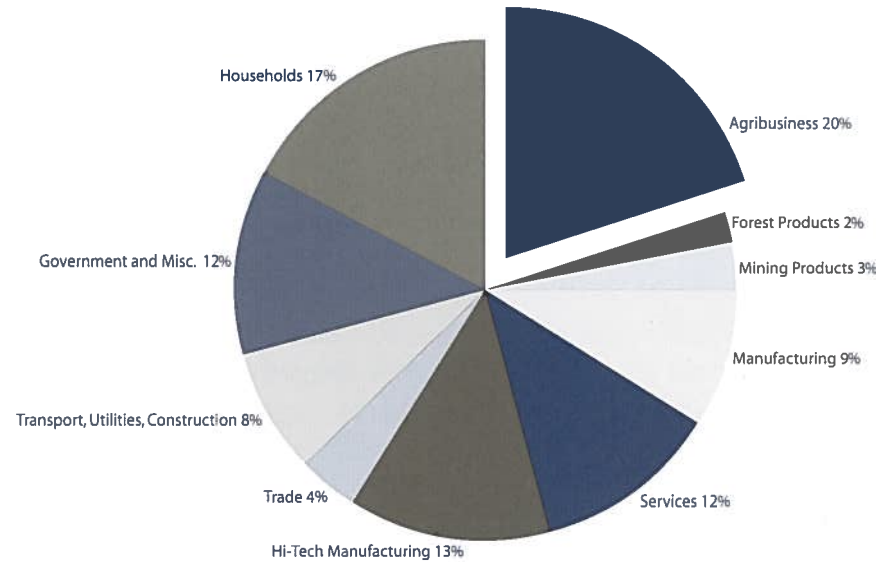


Sources: USDA National Agricultural Statistics Service and UI projections.

Contribution of Agribusiness to Idaho's Economy

Agribusiness is a vertically integrated business complex engaged in the production, processing, and distribution of food to national and international markets and providing thousands of off-farm jobs in Idaho. Dollars from agribusiness exports ripple throughout Idaho's economy, creating (directly and indirectly) \$24 billion in sales (20% of total economic output), close to 123,000 Idaho jobs (14% of state employment), and more than \$8 billion of state GSP (14% of GSP). Agribusiness is Idaho's largest base (export-driven) industry as ranked by base sales and the second-largest industry as ranked by base jobs and base GSP.

Direct and indirect sales, by industry, for the Idaho economy, 2011.



Source: Taylor, G., B. Eborn, and P. Watson. "Contribution of Agribusiness to Idaho's Economy, 2011." Unpublished manuscript. University of Idaho Extension, Moscow.

Idaho Farm Cash Receipts

Idaho's 2013 farm cash receipts are estimated to be \$7.81 billion—3% above last year's \$7.59 billion.

Crop revenues are estimated at \$3.54 billion—the second highest on record—down slightly from last year's \$3.59 billion and 31% above the 10-year average. The largest projected increases from 2012 levels are by barley (up 10%), dry beans (up 12%), and hay (up 6%) followed by potatoes (up 1%). Wheat (down 8% from last year's record high) and sugarbeets (down 23%) posted declines. Because crop revenue is recorded on a calendar-year basis, crop sales include a portion of both the previous year's and the current year's production, except for sugarbeets.

Livestock revenues are estimated at \$4.28 billion, up 7% from 2012 and 33% higher than the 10-year average. Cash receipts from cattle and calves are projected to be \$1.51 billion, 8% higher than in 2012. Cash receipts from milk are expected to be \$2.57 billion, up 6% from last year's \$2.42 billion.

In real dollars (inflation adjusted to 2012) estimated cash receipts are 61% higher than the 34-year average. Extreme volatility in commodity prices over the past 7 years has increased agricultural revenue volatility to levels last seen in the 1970s and 1980s. In the past 10 years (2004–2013) real cash receipts have grown at an average annual rate of 4.3%. In the previous two decades (1983–2002) real cash receipts grew at an average annual rate of only 0.41%.

Idaho Net Farm Income

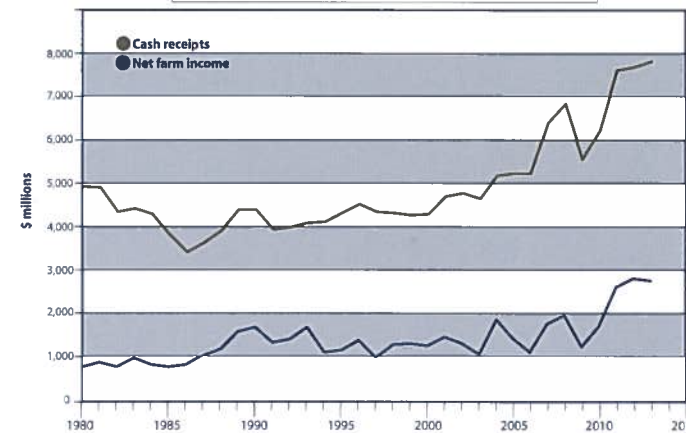
Net farm income is the farmer's bottom line, or revenues minus costs. Revenues include cash receipts from crop and livestock marketings, inventory changes, the estimated value of home consumption, government payments, machine hire and custom work, forest product sales, and the imputed rental value of farm dwellings. Farm expenses include farm-origin inputs (purchased livestock, feed, and seed), manufactured inputs (fertilizers, fuel, and electricity), and "other inputs" including repairs and maintenance, machine hire and custom work, marketing, storage, transportation, and contract labor.

The projected 0.5% decrease in 2013 Idaho net farm income resulted from a slightly higher increase in expenses compared to revenues. An estimated 1% increase in revenues (gross farm sales, government payments, etc.) coupled with an estimated 2% increase in costs results in an estimated net farm income of \$2.73 billion, 56% above the 10-year average. In contrast, USDA's 2013 U.S. net farm income is estimated at \$131 billion, up 15% from 2012.

Historically, net farm income is much more volatile than gross cash receipts. In 9 out of the past 10 years, Idaho experienced double-digit swings in net farm income. In 5 of the past 10 years, net farm income changed 37% or more from the previous year. The 1% decrease in 2012 came on the heels of an 11% increase in 2012 and a 59% increase in 2011. Real-dollar Idaho net farm income set a 44-year record (1970–2013) last year at \$2.74 billion. Idaho real net farm income for 2013 is estimated to be 118% above the 44-year average.

The overall increase in farm expenses was kept in check by an overall moderate increase in input prices and a sizeable decline in fertilizer prices. While fertilizer prices were down between 4 and 15%, diesel prices in Idaho were flat. Among farm-origin inputs, feed and seed cost more in 2013, and replacement livestock prices went up. Farmers continue to benefit from historically low interest rates, and this also should continue through 2014.

Idaho farm cash receipts and net farm income, 1980-2013.



Sources: USDA Economic Research Service, Idaho office of the National Agricultural Statistics Service, and UI projections.

Note: In real dollars (2012 base).

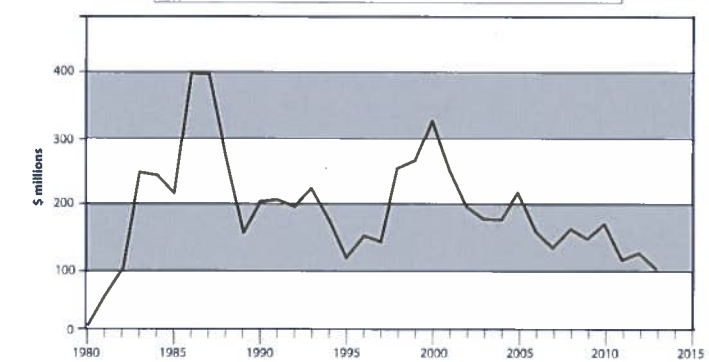
Government Payments

Federal government payments to Idaho agriculture in fiscal year 2013 are estimated at \$105 million, a decrease of 17% from 2012 and 26% less than the average of the past 10 years. Government payments came in four forms:

- Production support (50%)
- Conservation program (38%)
- Emergency program (5%)
- Price support program (7%)

In real dollars, Idaho direct government payments peaked during the farm financial crisis in 1986 at more than \$398 million. Since 1986, government payments have declined 74%. In 2013, direct payments contributed 8.7% to U.S. net farm income. In contrast, government payments contributed only 3.9% to Idaho's net farm income, down from 10% in 2004. Idaho received less than 1% of total 2013 payments to U.S. agriculture.

Direct government payments to Idaho agriculture, 1980-2013.



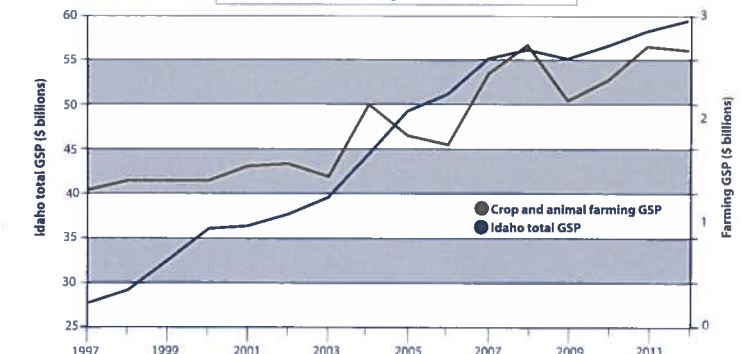
Source: USDA Economic Research Service and UI projections.

Note: In real dollars (2012 base). 2013 is the fiscal year; all other years are calendar years.

Idaho Agriculture's Gross State Product

Gross state product (GSP) is the market value of all officially recognized final goods and services produced within Idaho during the year. It is the sum of value added by Idaho industries. In 2012, Idaho total GSP is projected to exceed \$58 billion, of which 4.5% (\$2.6 billion) is from crop and livestock farming. In the past 15 years (1997–2012), Idaho farm GSP has almost doubled.

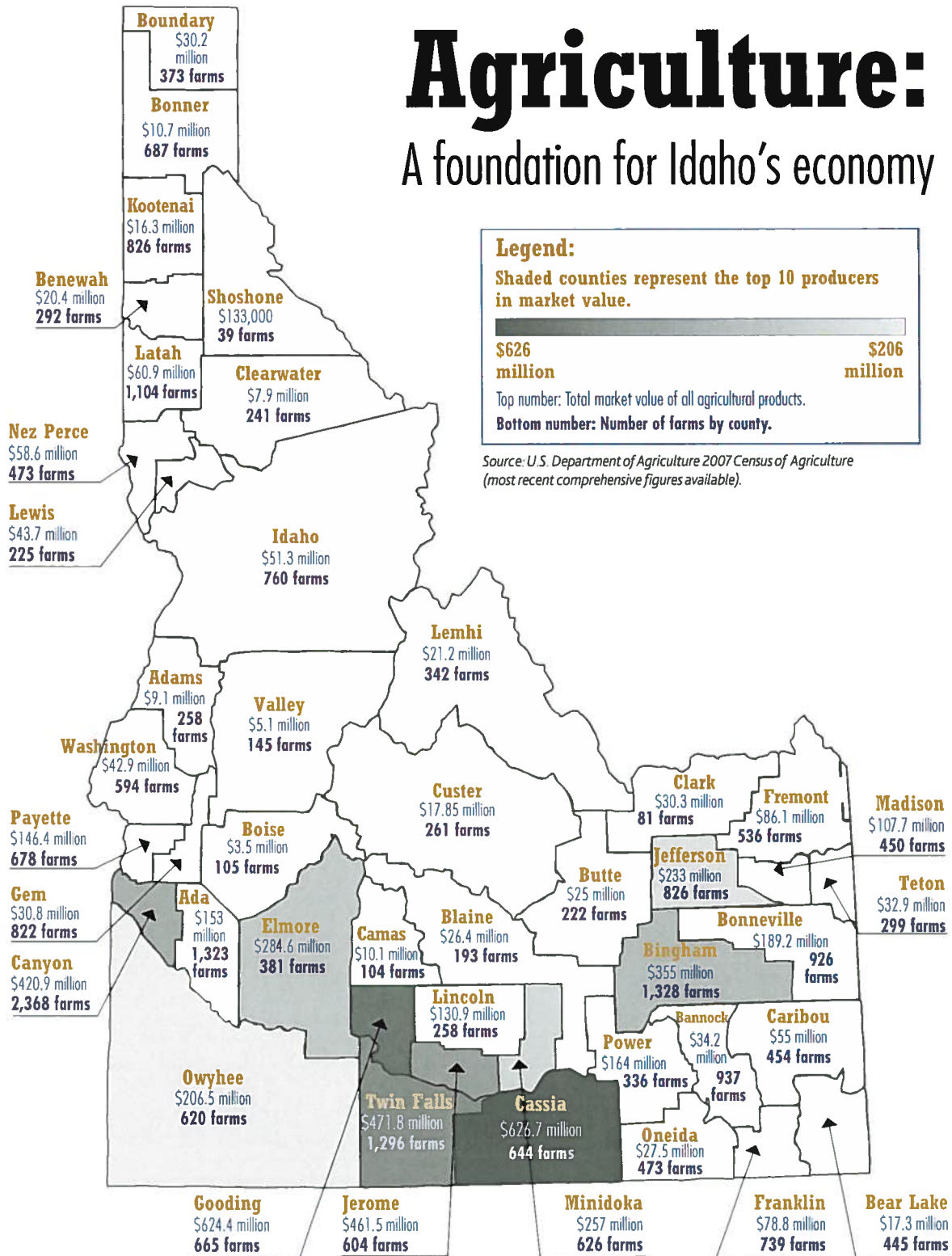
Idaho total and farming GSP, 1997-2012



Source: U.S. Department of Commerce Bureau of Economic Analysis.

Agriculture:

A foundation for Idaho's economy



IDAHO'S 24,700 FARMS and ranches produced agricultural products valued at \$7.32 billion in 2011, up from \$5.9 billion in 2010.

A base analysis, which accounts for "economic ripples" throughout the economy, shows agribusiness contributed \$24 billion (20%) of total sales, over \$8.3 billion (14%) of gross state product, and over 123,000 (14%) of Idaho jobs in 2011. Agribusiness is Idaho's largest base industry by sales and the second-largest base industry by jobs and value added. Agribusiness is thriving in Idaho and ties for first place in significance for the

state's economy with the combined hi-tech and other manufacturing sector.

The top 10 commodities in 2011 in millions of dollars were:

Milk.....	\$2,433
Cattle.....	\$1,376
Potatoes.....	\$915
Wheat.....	\$733
Hay.....	\$555
Sugar beets.....	\$347
Barley.....	\$205
Corn.....	\$113
Dry beans.....	\$66
Onions.....	\$52

The value of Idaho agricultural commodities exported in 2011 totaled \$2.17 billion. Wheat and wheat products, vegetables and preparations, dairy products, and feeds and fodders were the largest export commodity groups. Canada was Idaho's largest trading partner, receiving 20 percent of exports, followed by Mexico, China, Japan, Korea and Indonesia. The six nations accounted for two-thirds of Idaho's agricultural exports.