



University of Idaho  
Extension

# Financial Condition of Idaho Agriculture; The Covid Year

*JFAC Outlook Committee*

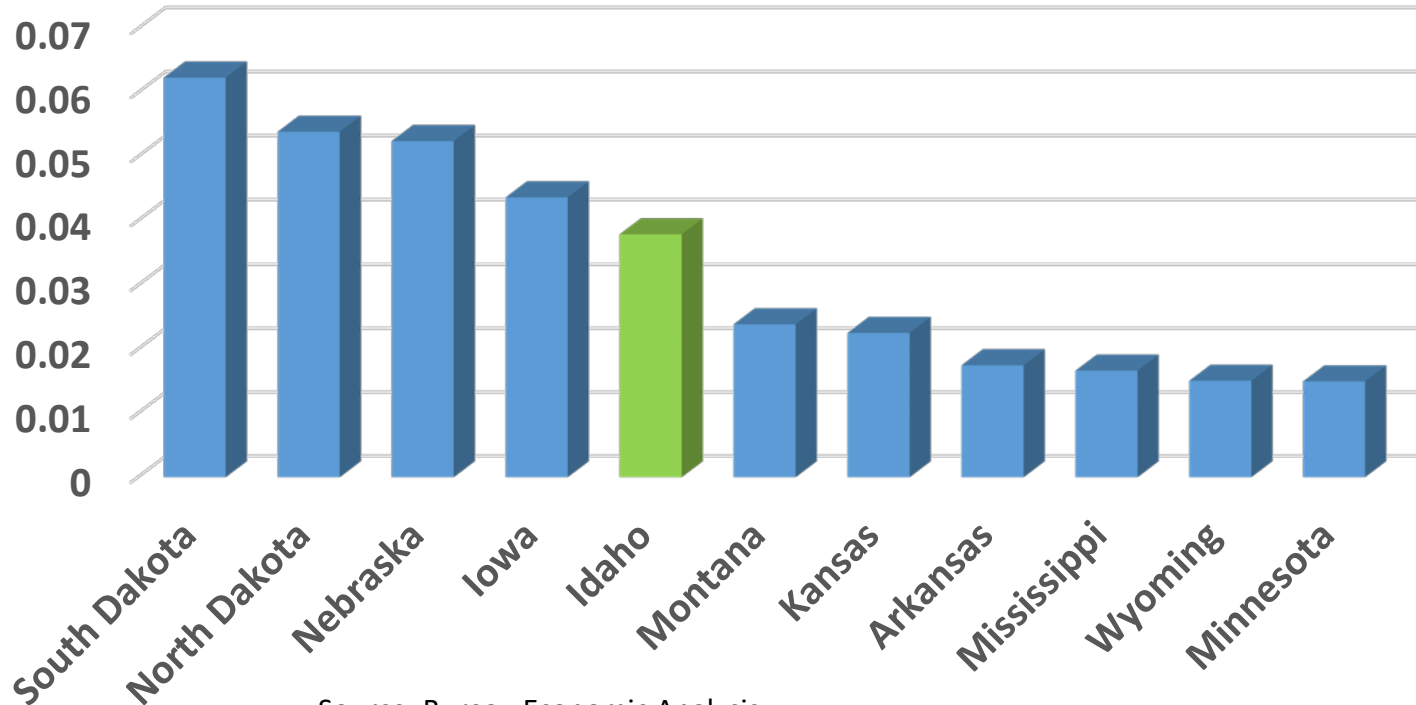
*January, 2021*

*Rita Du, Ben Eborn, and Garth Taylor*

# Idaho – small economy big Ag



Farm GDP as percent of State Total GDP 2017



Source: Bureau Economic Analysis



# MULTIPLIER EFFECTS...AGBIZ IDAHO'S LARGEST INDUSTRY



Exports – new dollars - drive an economy

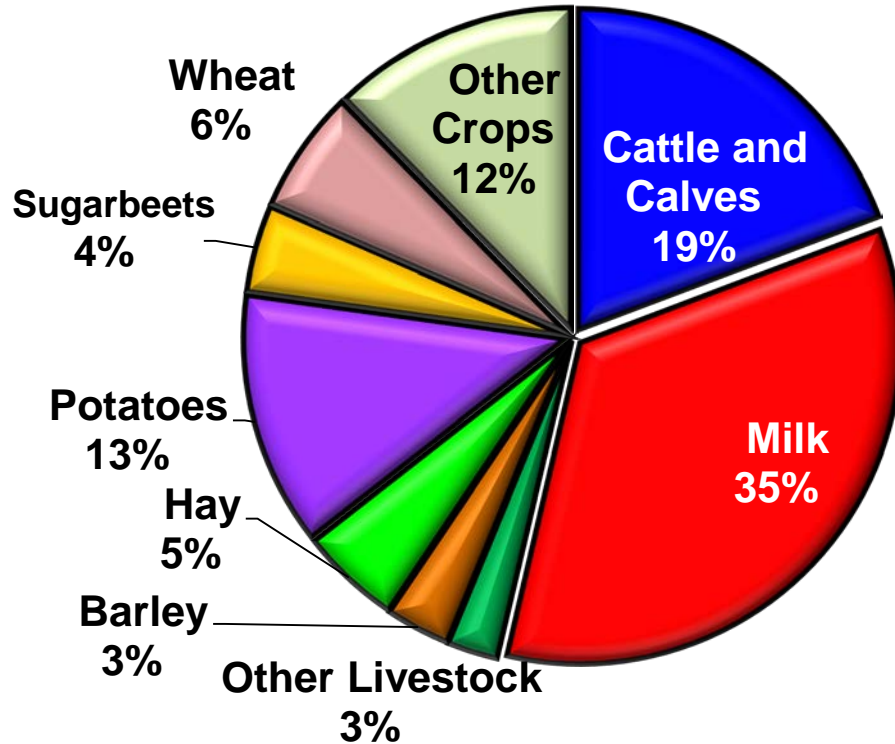
- \$26 billion in sales, 18% of Idaho's total economic output
- 123,000 Idaho jobs, 1 in every 8 jobs in the state
- \$10 billion in value added, 13% of Idaho GDP

Source: Philip Watson University of Idaho

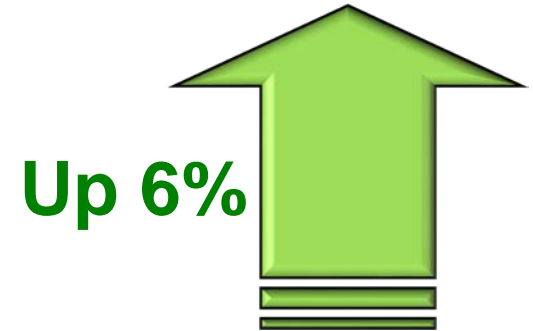
# Second Highest, Up 6%



## Idaho Cash Receipts, 2020



**\$8.5 billion, 2020**



**\$8 billion, 2019**



# Changes in Idaho Cash Receipts from 2019

Crops \$3.7 billion, ↑15%

Livestock \$4.8 billion, ↓1%

Potatoes: ↑13%

Barley: ↑10%

Wheat: ↑17%

Sugarbeets: ↑29%

Hay: ↓9%

Cattle & Calves: ↓6%

Milk: ↑2%

# Two Months That Tore Apart the Food Chain



Grocery demand skyrocketed, restaurants shut their doors and distribution became exponentially more complex, resulting in the most dramatic shift in history.

**WSJ** Annie Gasparro, Jaewon Kang and Stephanie Stamm April 29, 2020  
[e https://www.wsj.com/articles/two-months-that-tore-apart-the-food-chain-11588174236](https://www.wsj.com/articles/two-months-that-tore-apart-the-food-chain-11588174236)



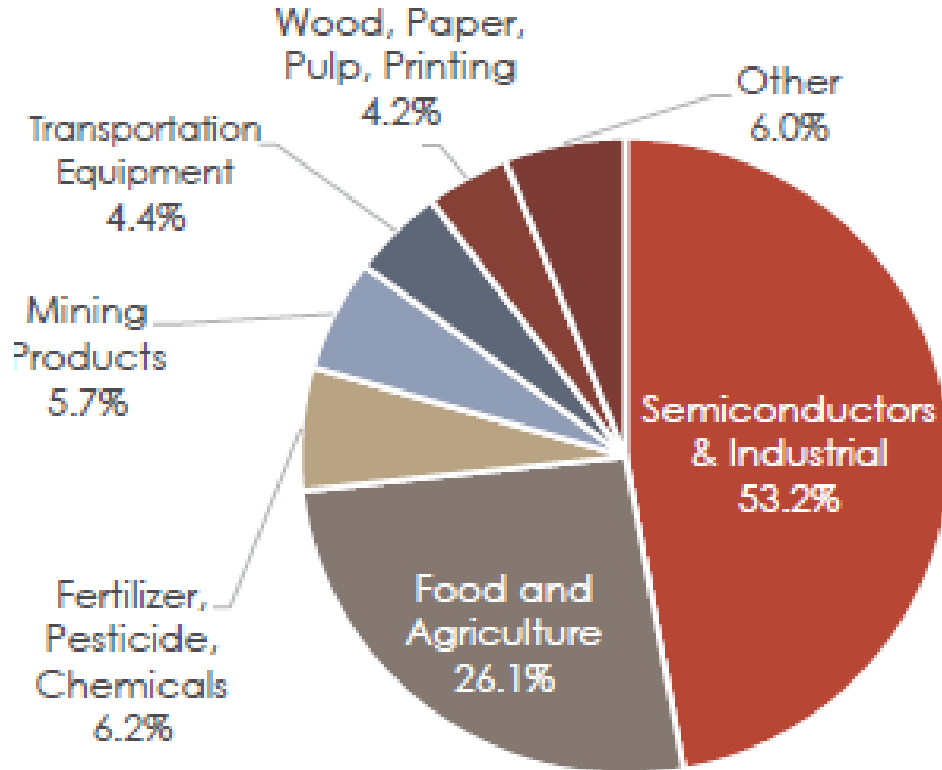
## **Covid-19 Shifts Demand Not Supply**

- 40% of meat workers laid off
- Restaurant to home shift
- Flyrod effect; small demand shifts = large farm prices
- Thin margins = brittle supply chain
- Costco chicken supply chain saves 38 cents under \$5

# Idaho Exports: Ag Over a Quarter



## 2019 Exports by Industry



**Ag over a quarter  
2019, Idaho's total export  
\$3.4 billion**

**2020F Ag near record high**

**Canada and Mexico over  
half**

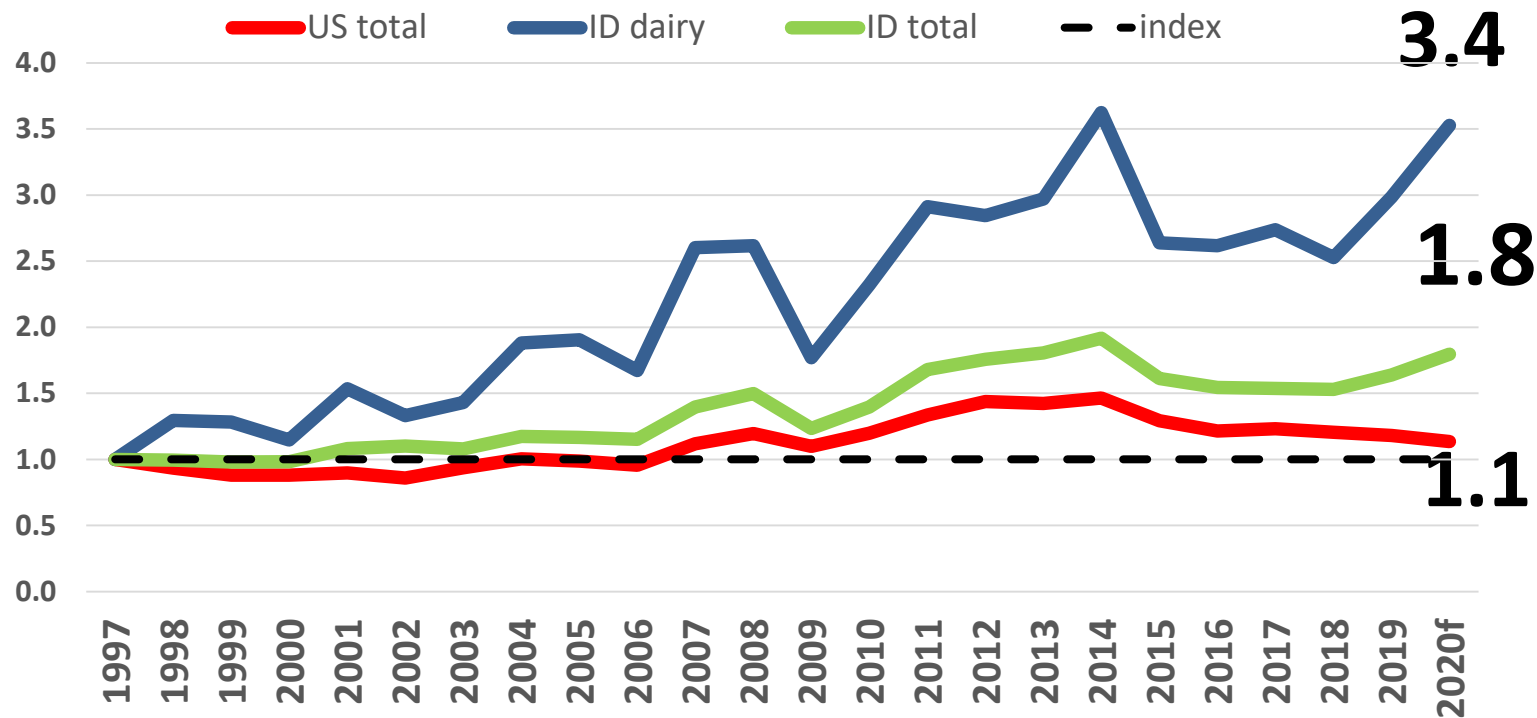
**Dairy, potatoes, wheat**





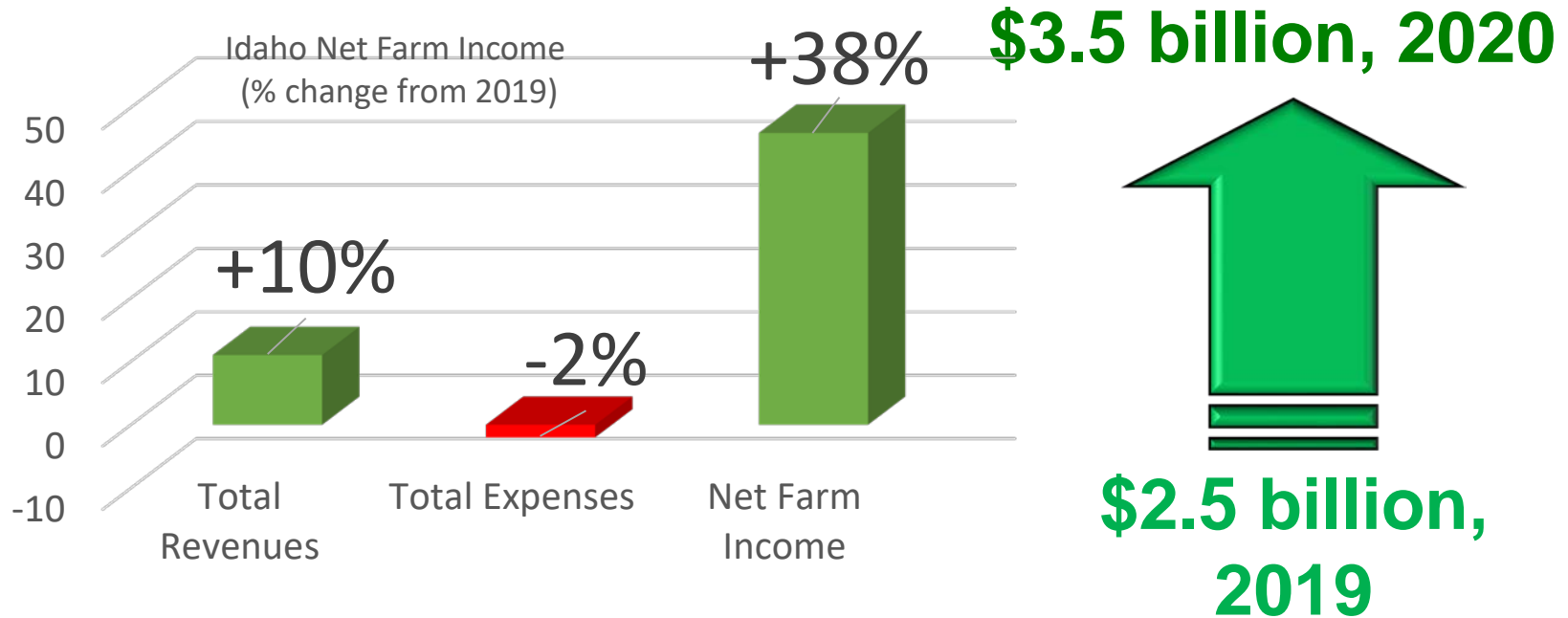
# Idaho Outgrows US

## Index Real Cash Receipts (2020 dollars)





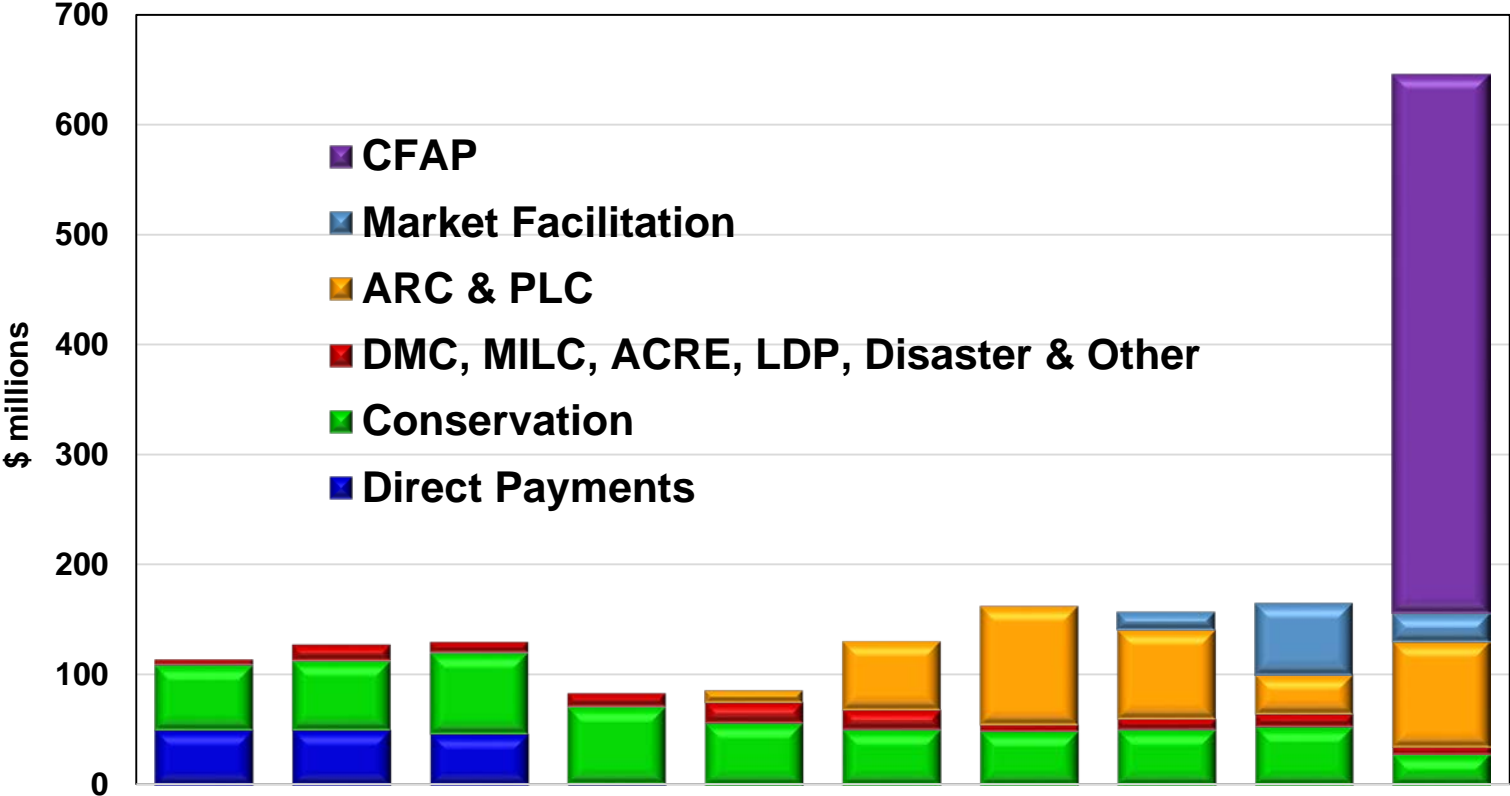
# Record High Net Farm Income, up 38%... Without gvt payments a record high



# 2020 Government Payments Skyrocket



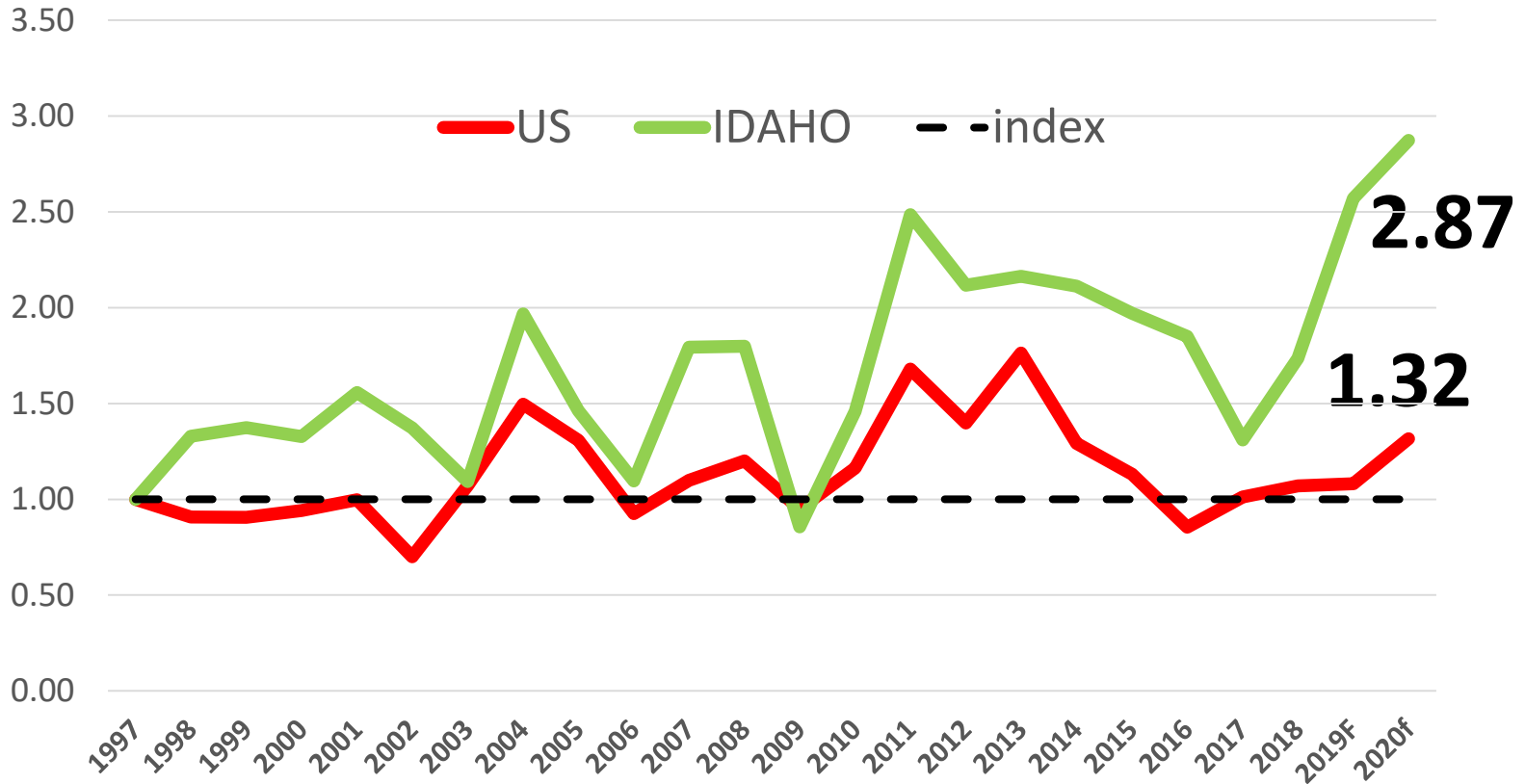
## Idaho Government Payments, 2011-2020



# Idaho Real Net Farm Income Grow 6X US



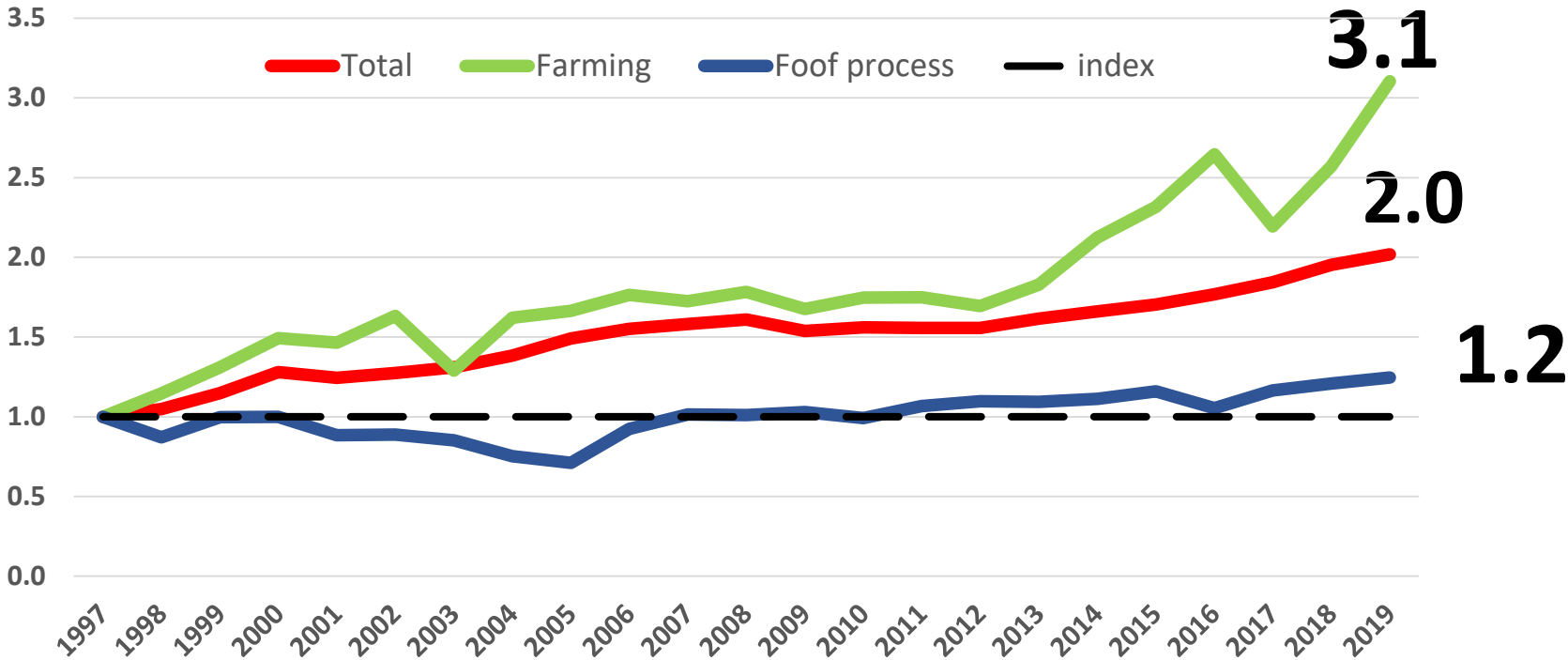
Real (2020 dollars) Net Farm Income Idaho vs US (1997=1)





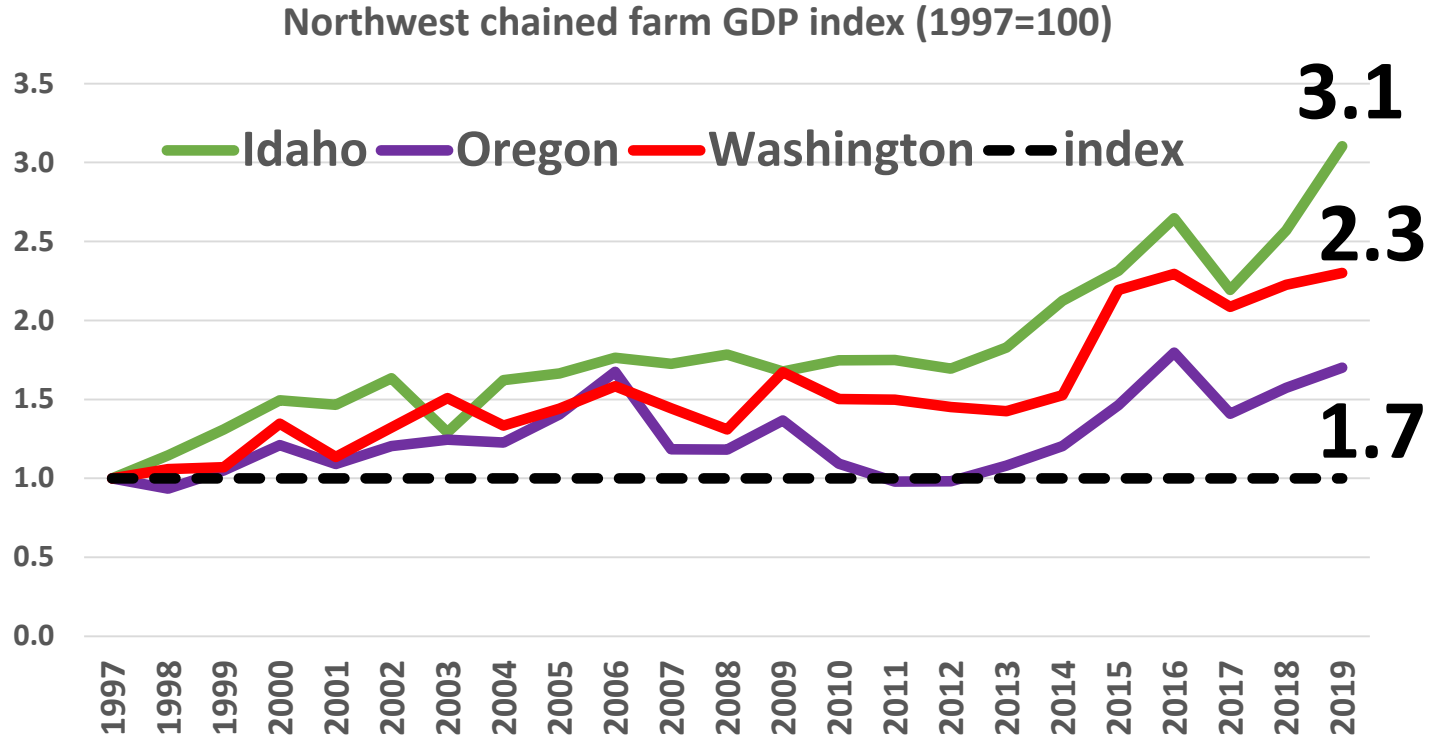
# Idaho Farm GDP Grows 210%

Indexed Chained (2012) Idaho GDP (1997=1)



Source: US Dept. of Commerce, BEA

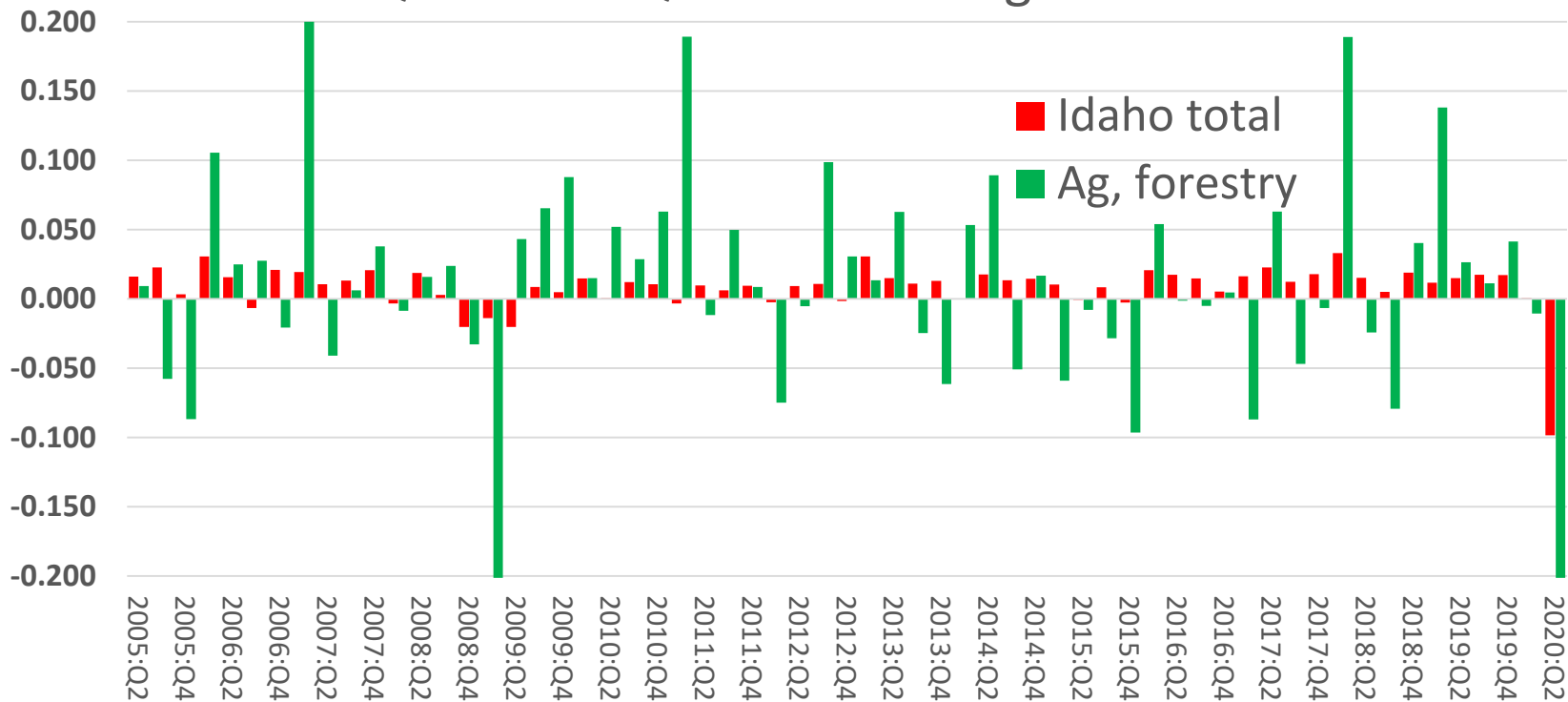
# Idaho GDP Growth Leads Northwest because of dairy growth



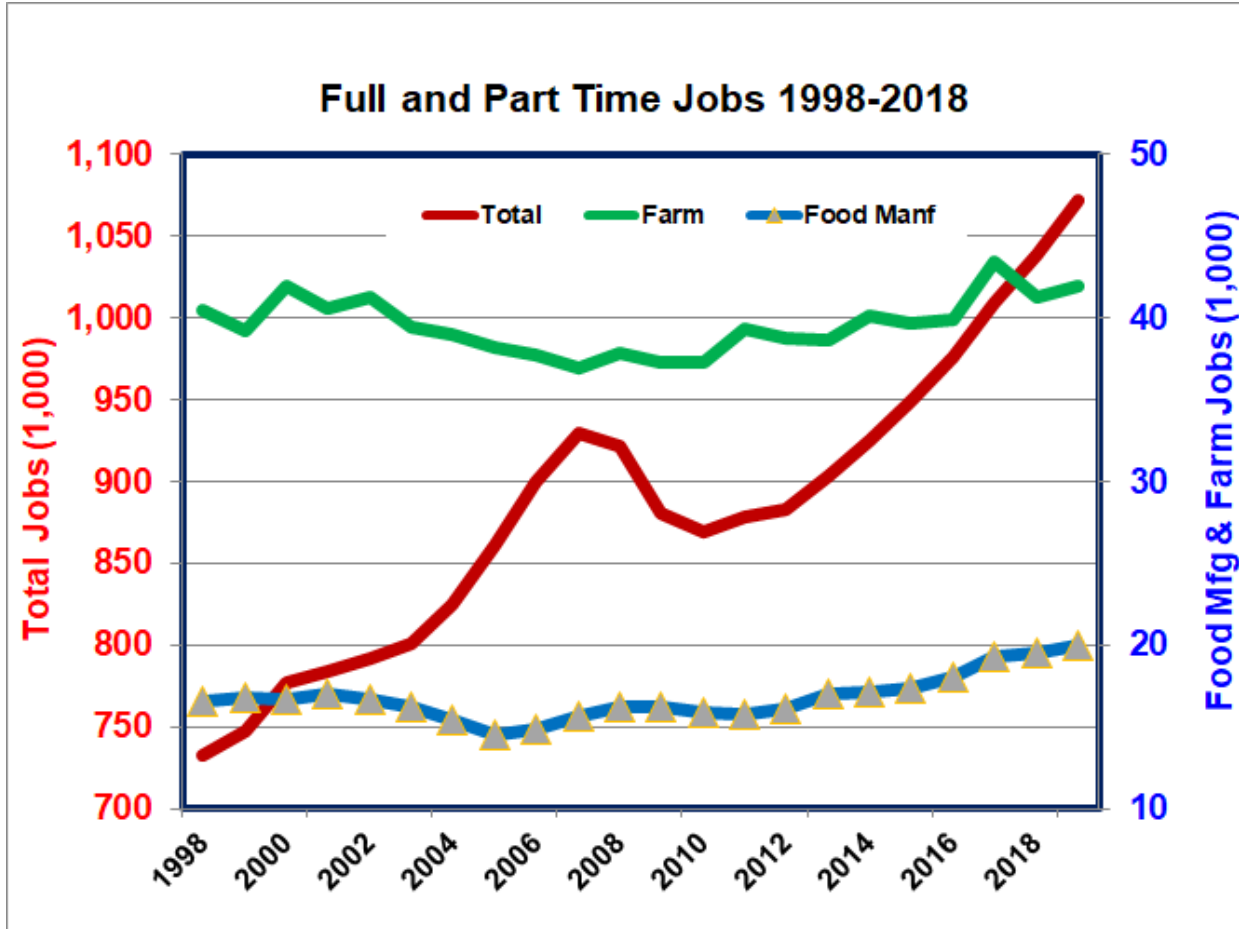


# Idaho Ag is Big, Growing, and Volatile

## Quarter to Quarter % Change



# Farming & Food Processing = steady jobs



- **Total Idaho**
  - Over one million jobs
- **Farm**
  - 41,000 jobs
- **Food mfg**
  - 19,000 jobs

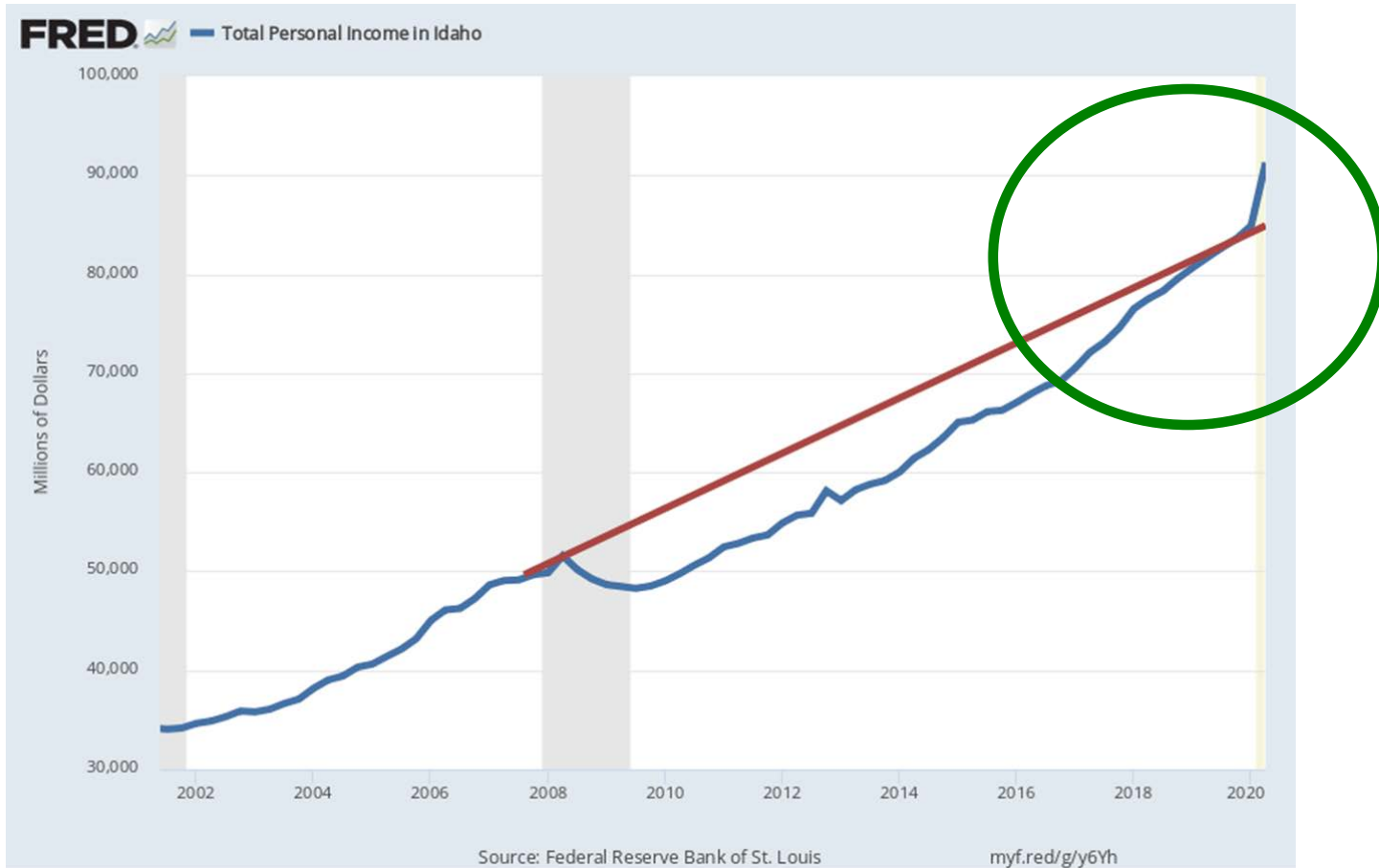




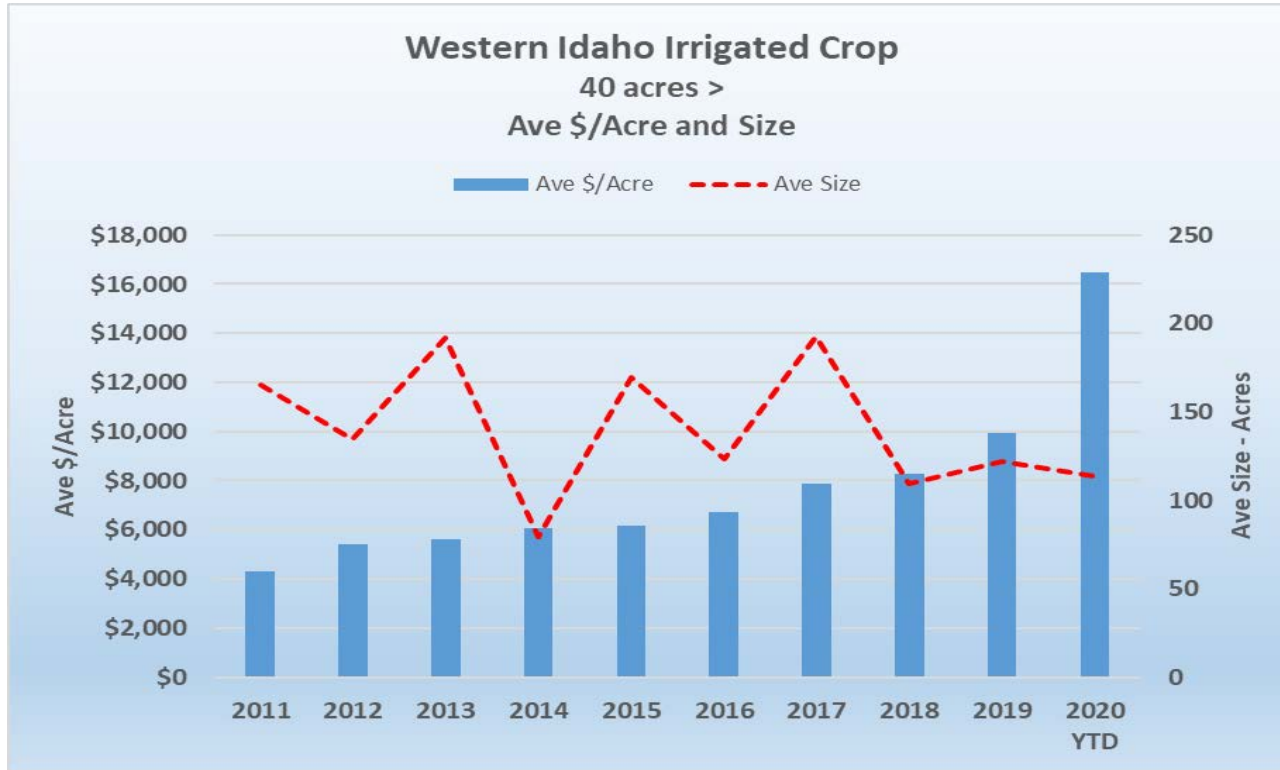
# Idaho Unemployment: Lowest to Highest



# Idaho personal income 2007 to 2020



# \$16,000 PER ACRE AND 100 SALES



## 2021 OUTLOOK GOOD

- Snap back to restaurants?
- Leading indicators
  - Land prices
  - Equipment prices
- Foreign export strength



**University of Idaho**

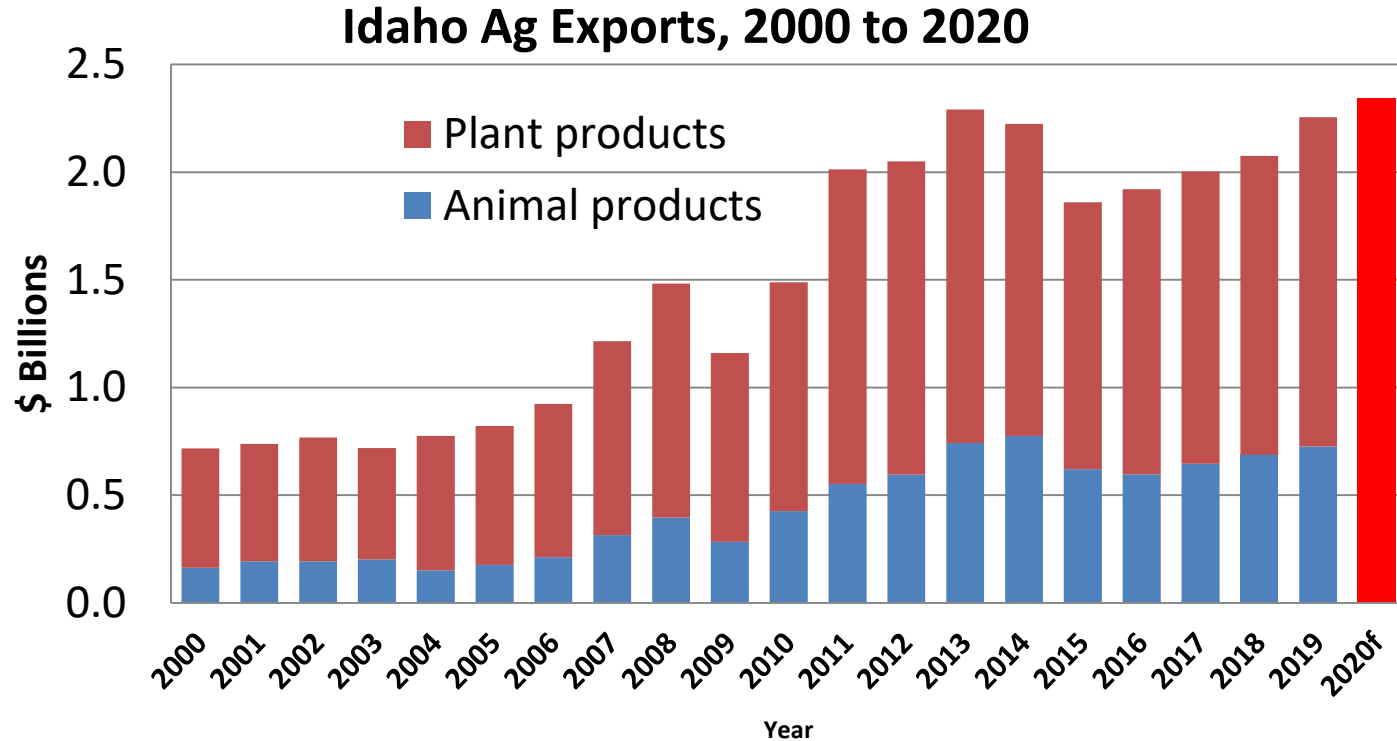
College of Agricultural  
and Life Sciences

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**QUESTIONS?**

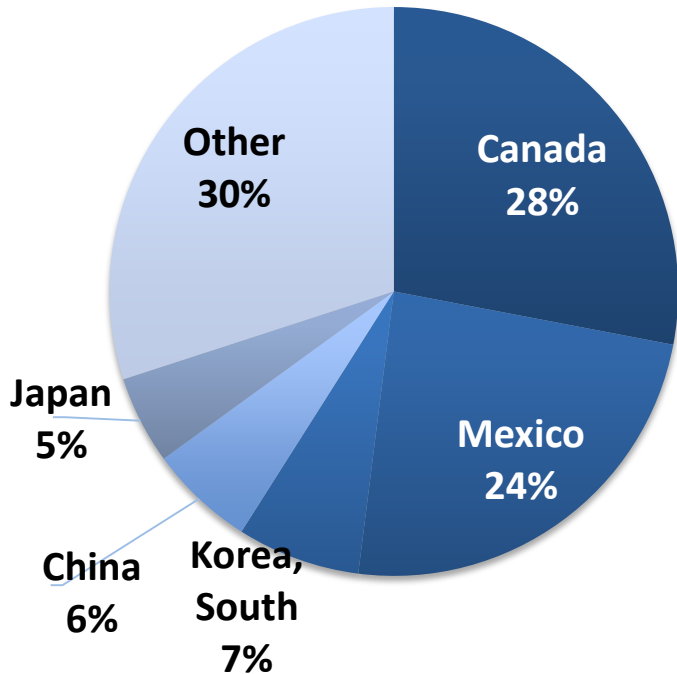


## 2019, IDAHO'S TOTAL EXPORT \$3.4 BILLION, AG \$899 MILLION ( 26%)



# Idaho Ag Exports: Dairy, Potatoes and USMCA

## ID Ag Exports by Country, 2019



## ID Ag Exports Share, 2019

