



University of Idaho
Extension

Financial Condition of Idaho Agriculture, 2021

JFAC Outlook

January 6, 2022

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Idaho; Small State with Big Ag



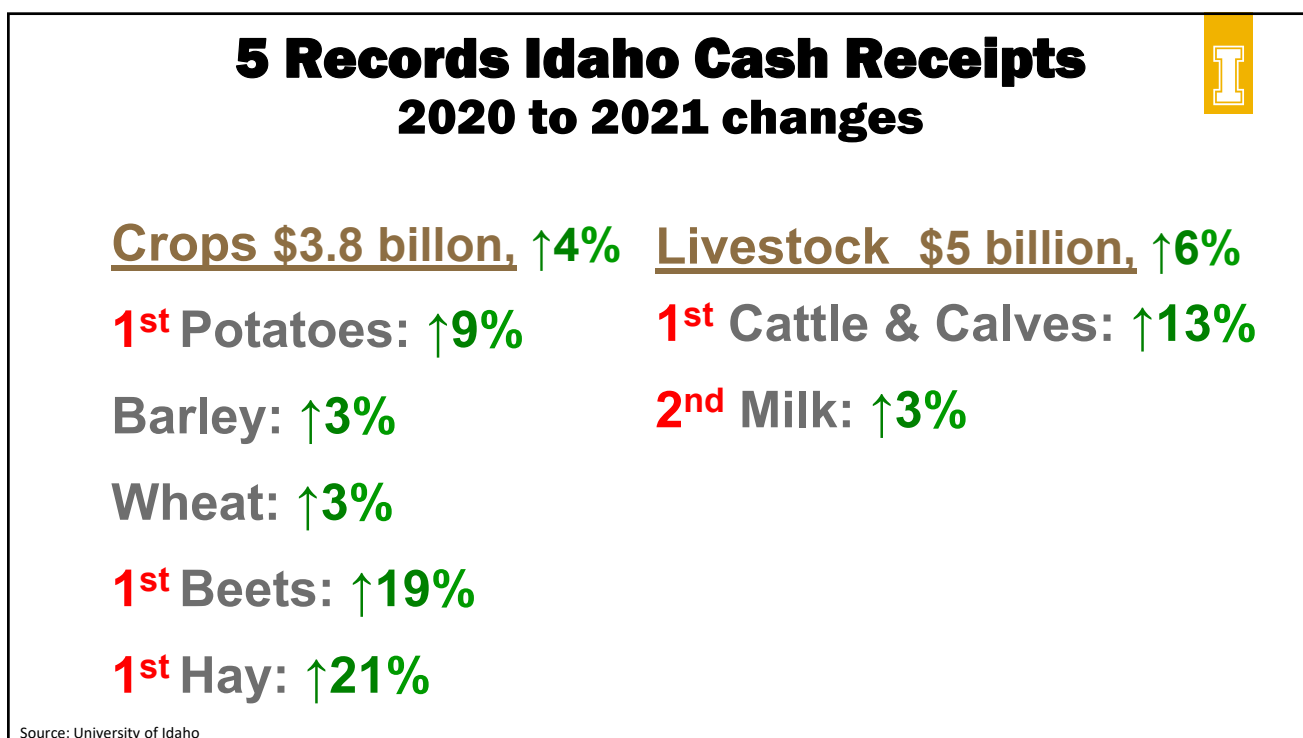
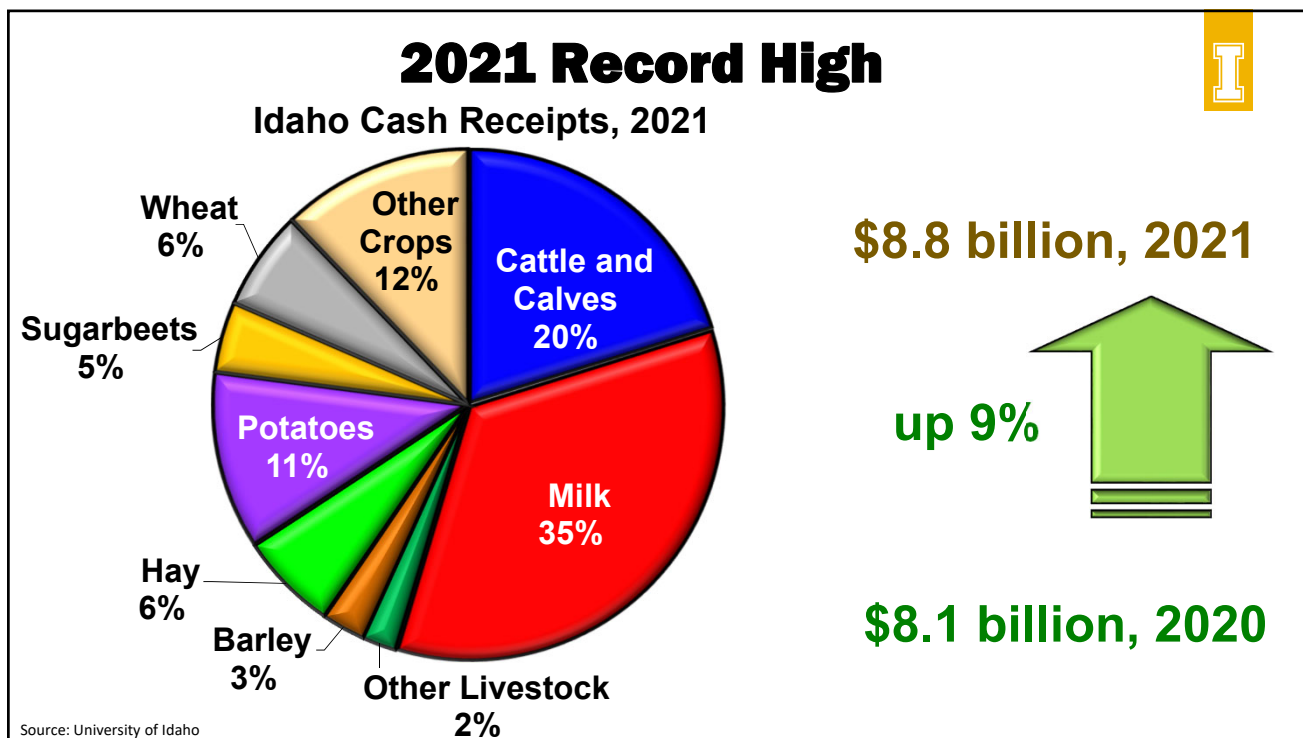
Fifth largest ag state (ag GDP as percent of state GDP)
behind South Dakota, North Dakota, Nebraska, and Iowa

Multiplier effects...AgBiz one of Idaho's top industries

Sales 17% (high tech mfg 7%)

Jobs 12%

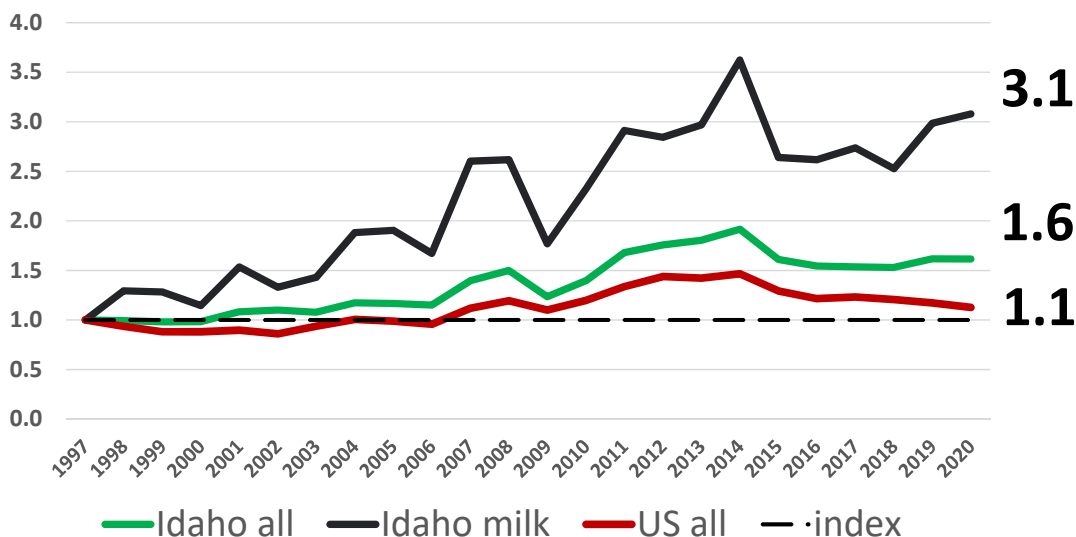
GDP 12.5 %



Idaho Outgrows US



Idaho vs US real cash receipts index (2020 dollars)

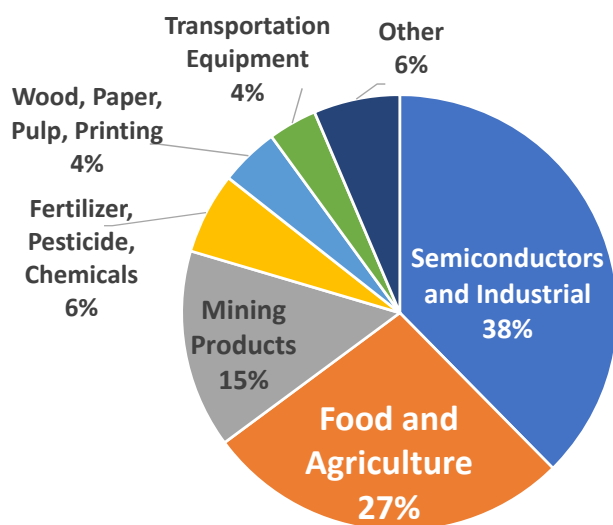


Source: USDA-ERS, University of Idaho

Record Idaho Ag Exports



2020 Idaho Exports by Industry



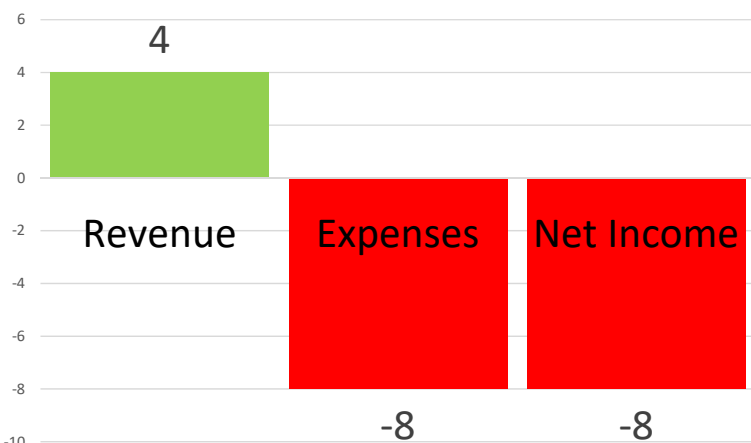
- 2020, Idaho's total export \$3.4 billion
- 2020 Ag exports \$930 million, record high
- Canada and Mexico half
- Dairy, potatoes, wheat, and beef almost 2/3

Source: Idaho Commerce and U.S. Census Bureau

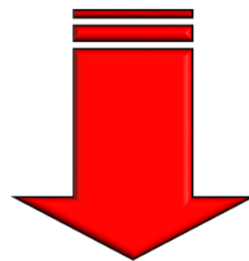
3rd Highest 2021 Net Farm Income, down 8%



Idaho Net Farm Income
(% change from 2020)



\$2.6 billion, 2020



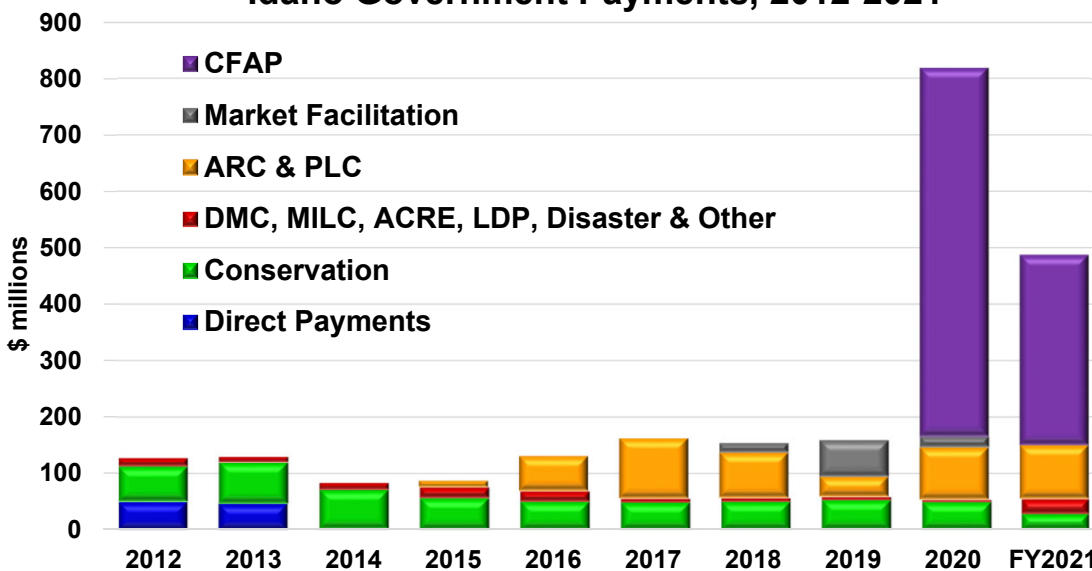
\$2.4 billion, 2021

Source: University of Idaho

Govt Payments drop over 40%



Idaho Government Payments, 2012-2021

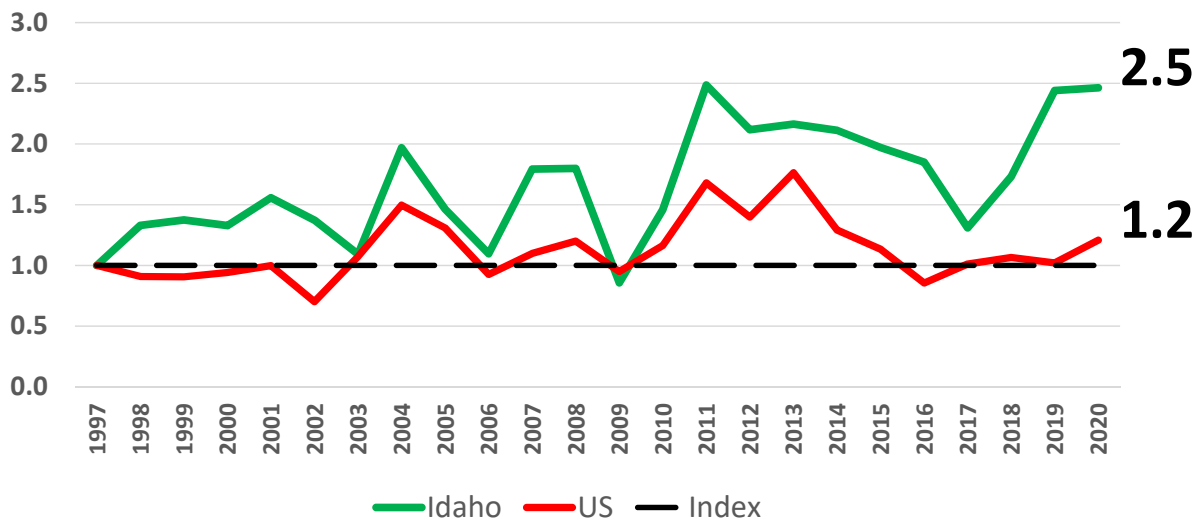


Source: University of Idaho

Idaho vs US Real Net Farm Income



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

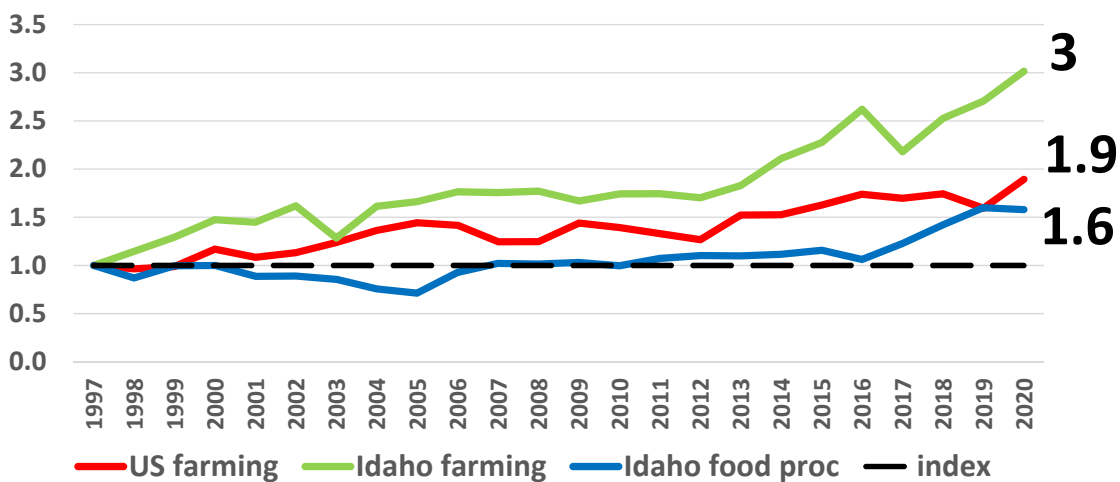


Source: USDA-ERS, University of Idaho

Idaho Farm GDP Grows 200%



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

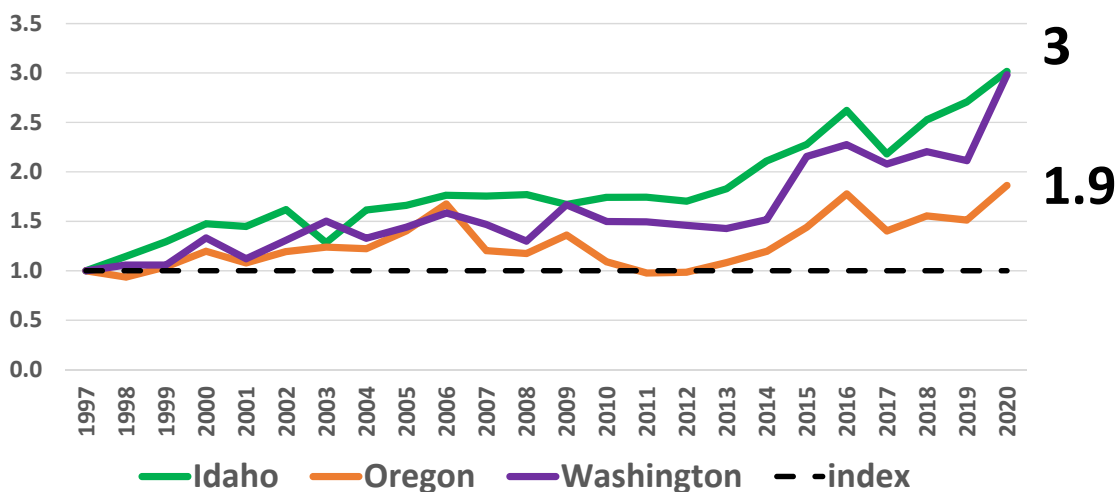


Source: US Dept. of Commerce, BEA

Idaho Leads Northwest GDP Growth

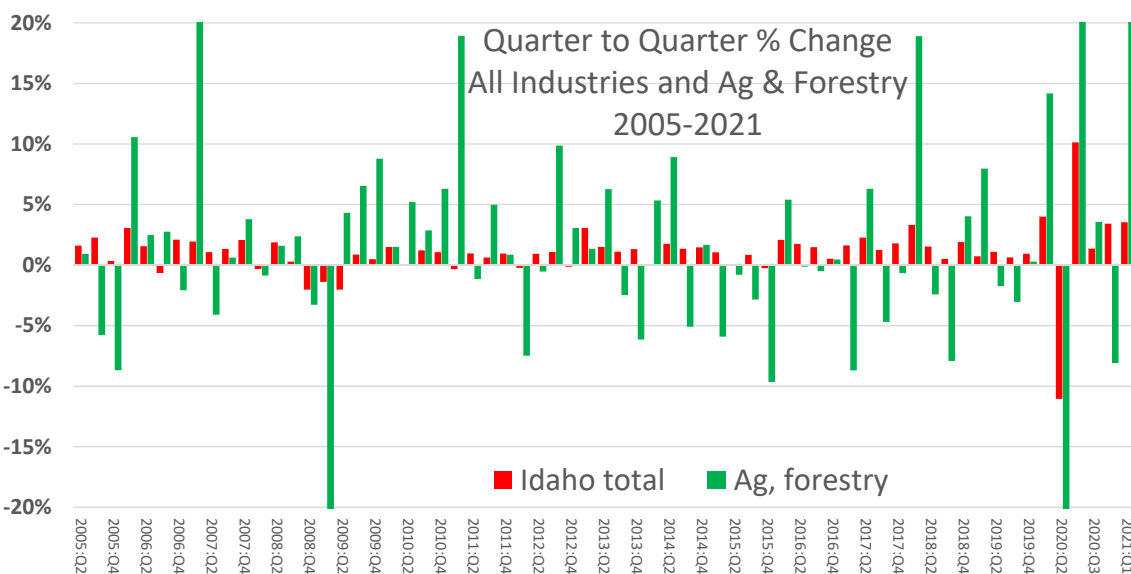


Northwest chained farm GDP index (1997=100)



Source: BEA

Idaho Ag is Big, Growing, and Volatile

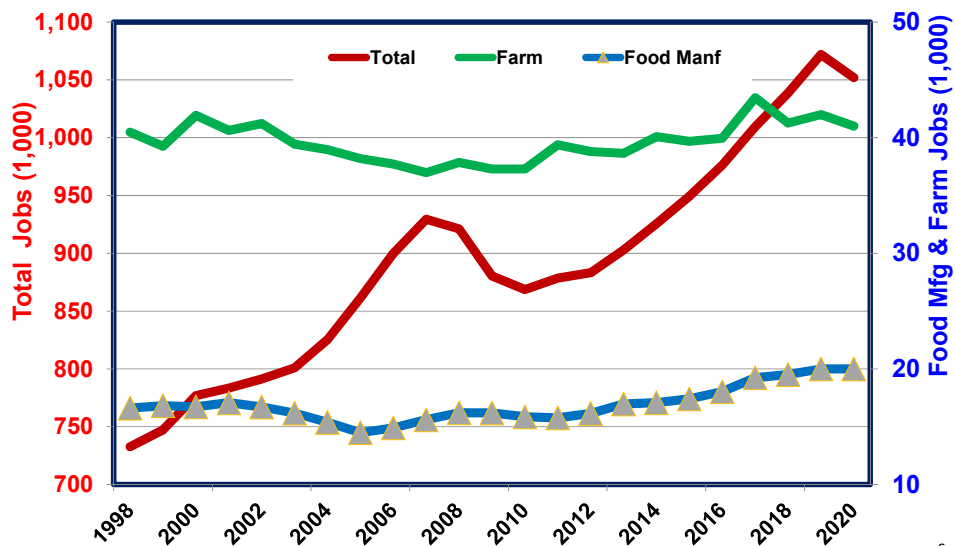


Source: US Dept. of Commerce, BEA

Farming & Food Mfg = steady jobs



Full and Part Time Jobs 1998-2018



- **Idaho** Over 1 million
- **Farm** 41,000
- **Food mfg** 20,000

Source: US Dept. of Commerce, BEA

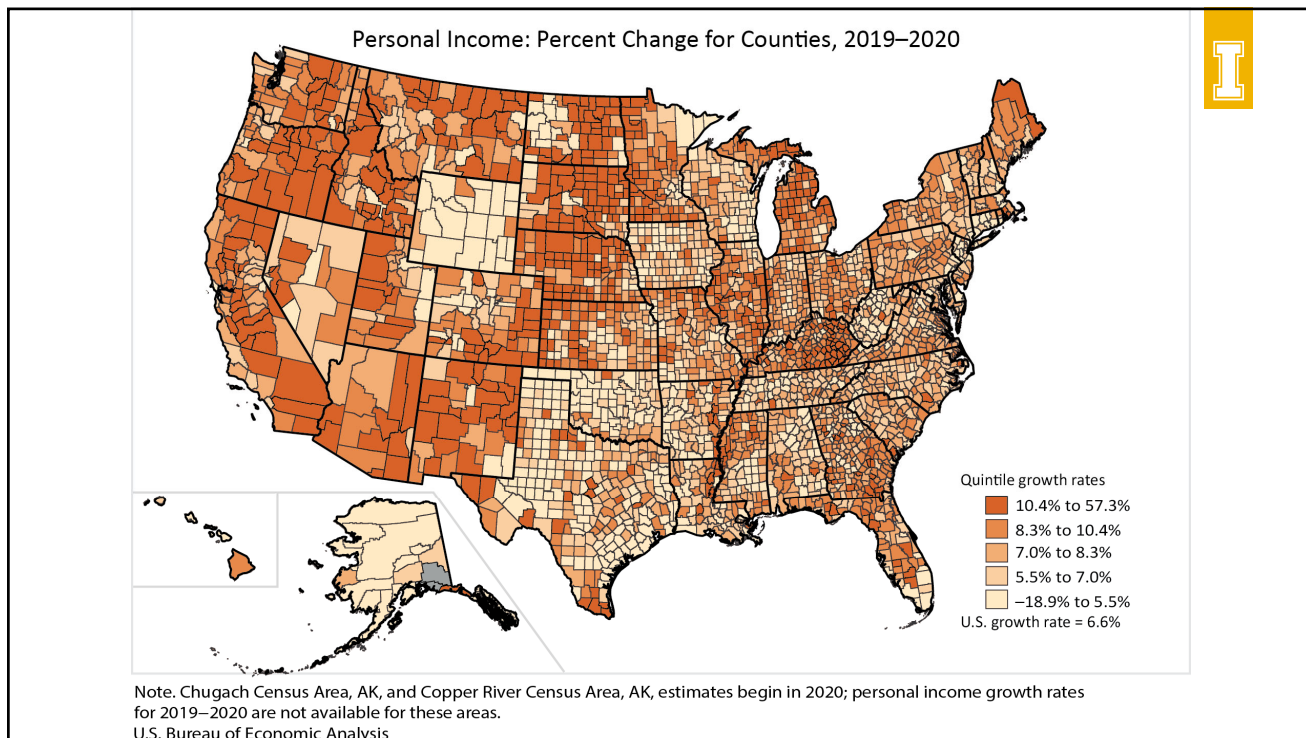
Idaho Unemployment: 2007 to 2021



Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

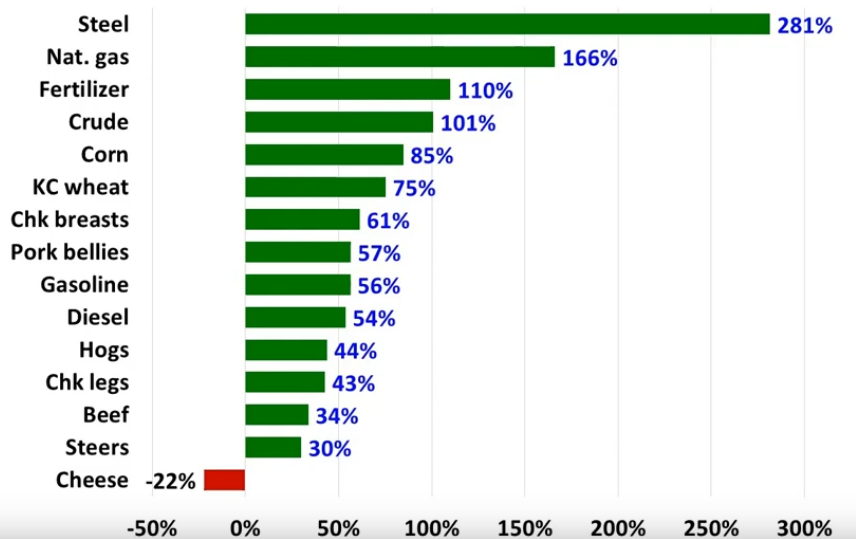
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MILK PRICES MUST CATCH UP



Price Inflation since Aug. 1, 2021



Source: USDA Bloomberg

M2 MONEY SUPPLY

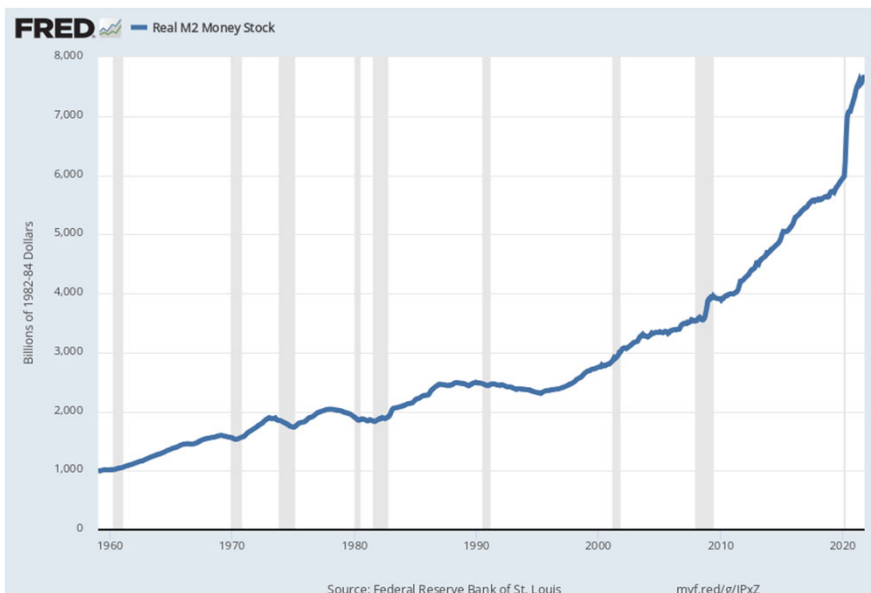
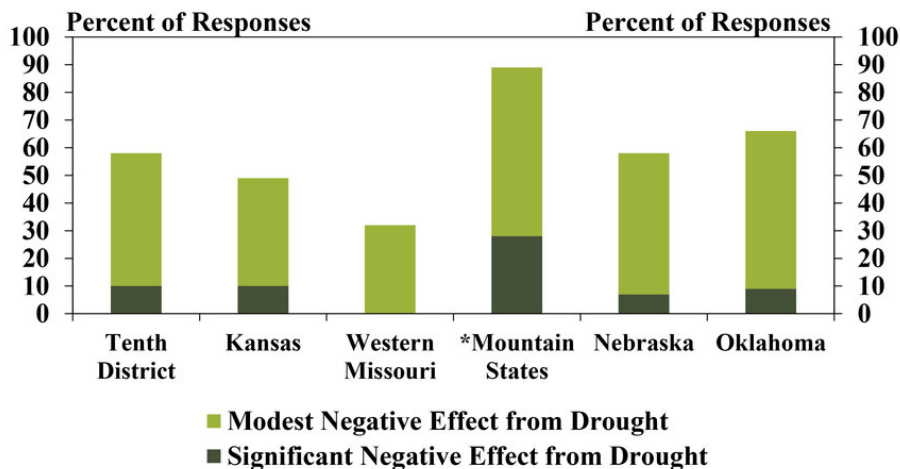




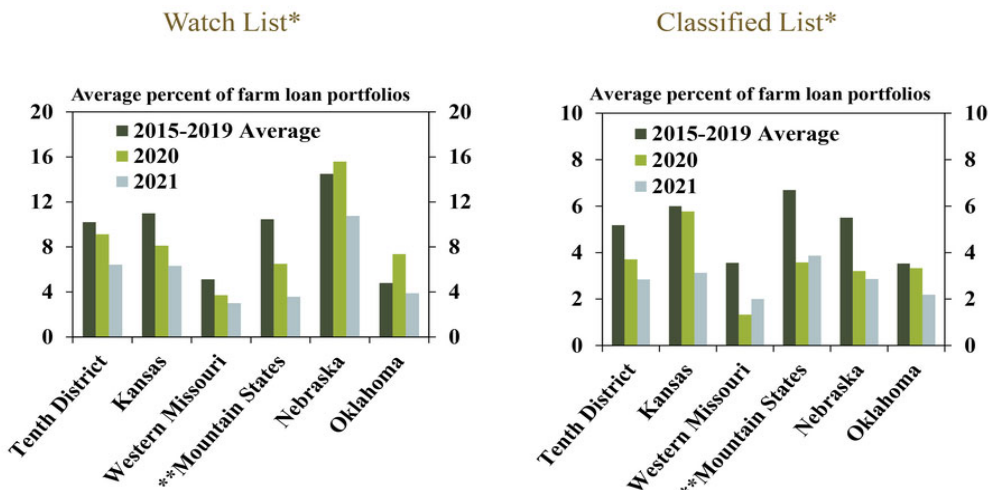
Chart 7: Impact of Drought on Financial Conditions of Farm Operations, Q3



Note: Respondents were asked to indicate what has been the impact of drought on financial conditions of farm operations in their lending area.
 *Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

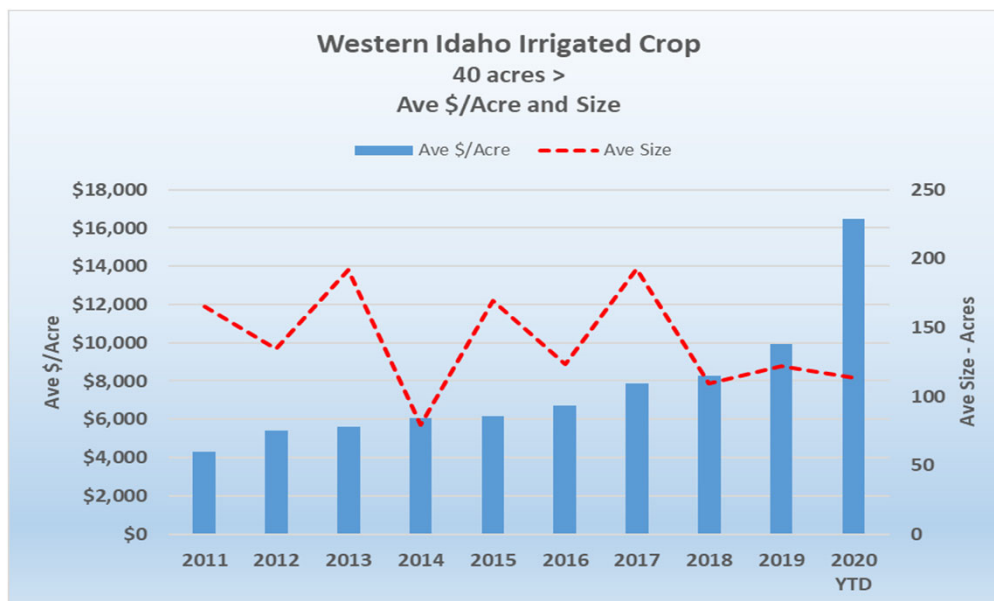


Chart 3: Problem Loan Rates, Q3



Note: Respondents were asked to indicate the percentage of their bank's farm loan portfolio currently on the "Watch" and "Classified" lists.
 *For purposes of this article, a "Watch List" loan is interpreted as a qualifying credit but is being closely monitored for potential problems (deterioration in borrower financial conditions, management changes, etc.). A "Classified List" loan is a loan with a defined weakness (inadequate debt service, insolvent collateral position, etc.) that requires specific documentation and potential bank reserve adjustments.
 ** Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

\$16,000 PER ACRE AND 100 SALES



Source: Northwest Farm Credit Services

2022 OUTLOOK -- WORRIED



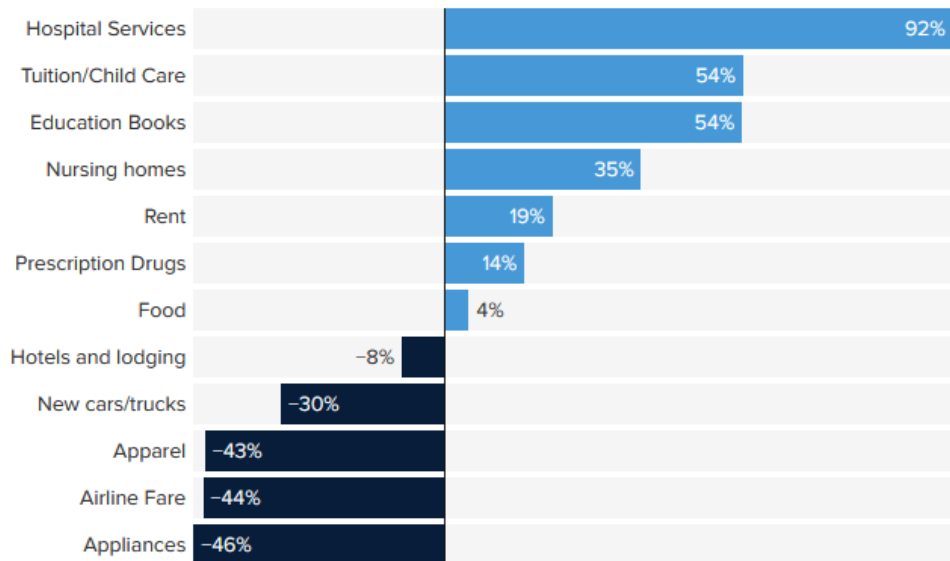
- Drought
- Inflation – fertilizer prices
- Leading indicators
 - Land prices
 - Equipment prices
 - Dairy cows
- Export strength



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QUESTIONS?

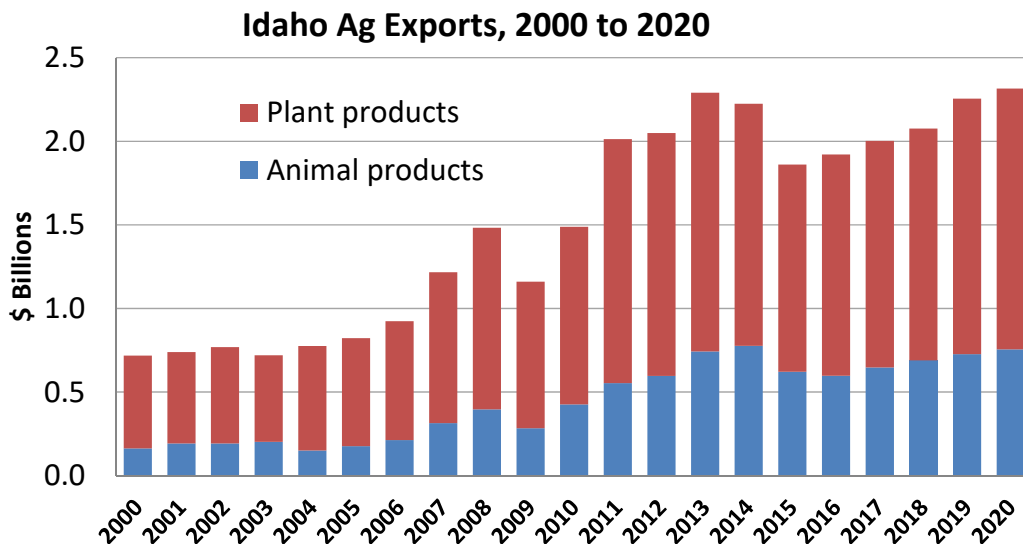
Change relative to the overall consumer price index since 2000



Source: Moody's Analytics citing Bureau of Labor Statistics. As of Oct. 2021.



IDAHO AG EXPORTS AT RECORD HIGH IN 2020

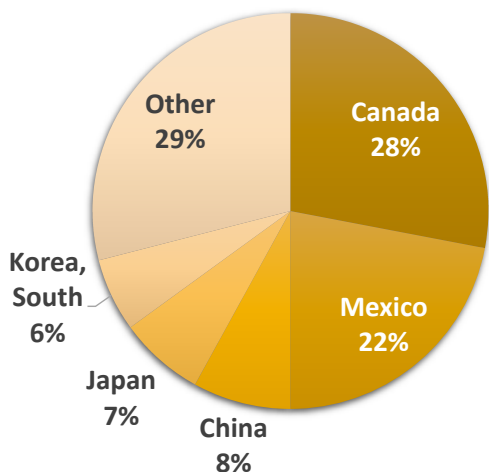


Source: USDA ERS

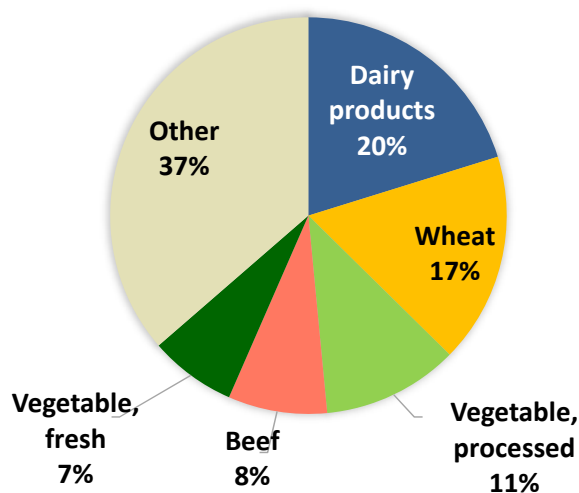
Idaho Ag Exports: Dairy, Potatoes and USMCA



ID Ag Exports by Country, 2020



ID Ag Exports Share, 2020



Source: U.S. Census Bureau and USDA ERS