



University of Idaho
Extension

The Financial Condition of Idaho Agriculture, 2023

Economic Outlook and Revenue Assessment Committee
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January 4, 2024

Idaho; Small Economy with Big Ag



38th in 2022 Total GDP and 17th in Total Farm GDP
- BUT

5th in Ag GDP as a % of Total State GDP (4.65%)

(Behind South Dakota, North Dakota, Iowa, and Nebraska)

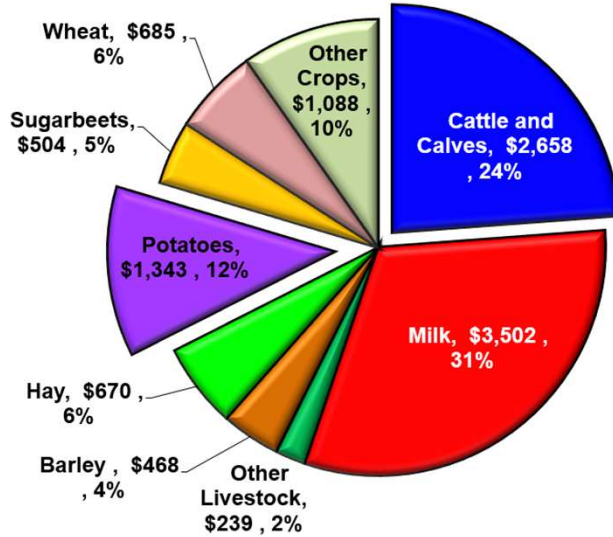
Idaho Ag Biz

17% of total economic output (high tech mfg. 7%), Jobs 12%, GDP 12.5 %
(ISDA)

2023 Just Below All-time Highs

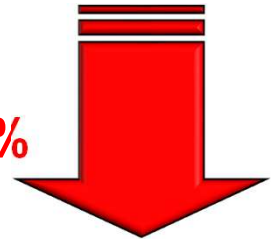


Idaho Cash Receipts, 2023F (\$ Millions)



\$11.3 billion, 2022

down 1%



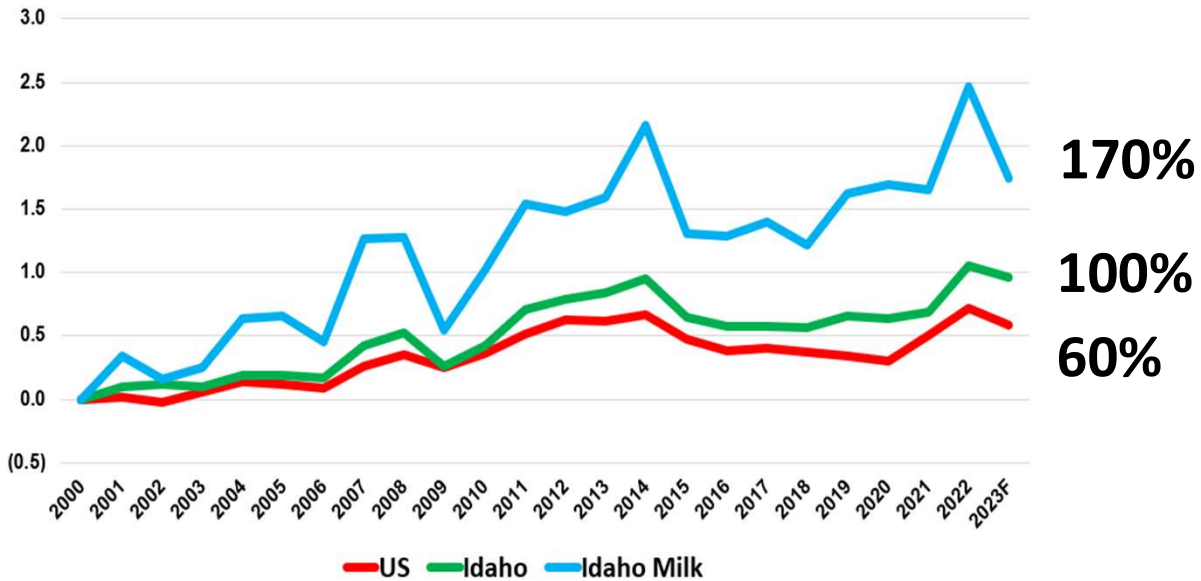
\$11.2 billion, 2023*

Source: University of Idaho

Idaho Cash Receipts Outgrows US



Real Cash Receipts (2023 dollars)

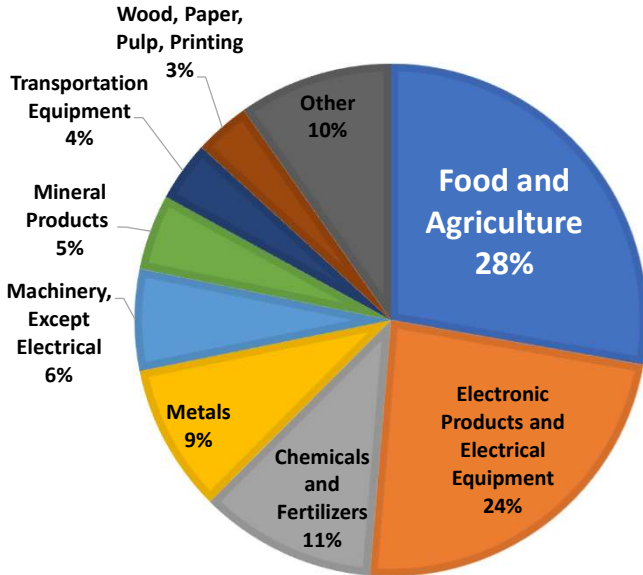


Source: USDA-ERS, University of Idaho

Idaho Exports: Ag Over a Quarter



2022 IDAHO EXPORTS BY INDUSTRY



Source: U.S. Census

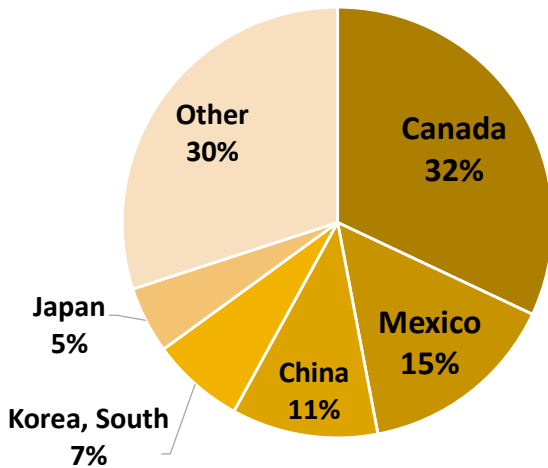
- 2022, Idaho's total export \$4.1 billion
- Food and Ag export \$1.1 billion
- 2022 Ag export at a record high
- Canada and Mexico 47%
- Dairy, potatoes, wheat

Idaho Ag Exports: Dairy, Potatoes and USMCA

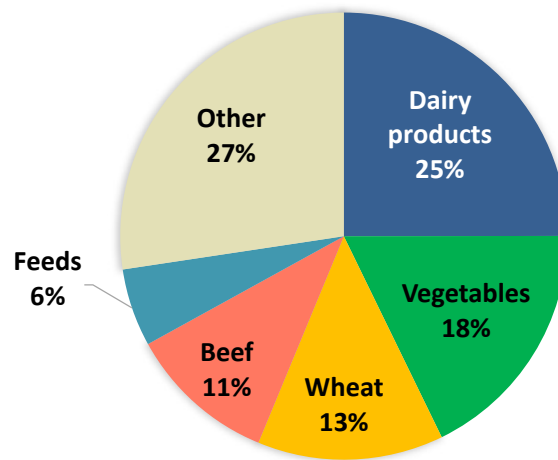


ID Ag Exports by Country, 2022

ID Ag Exports by Commodities, 2022



Source: U.S. Census Bureau

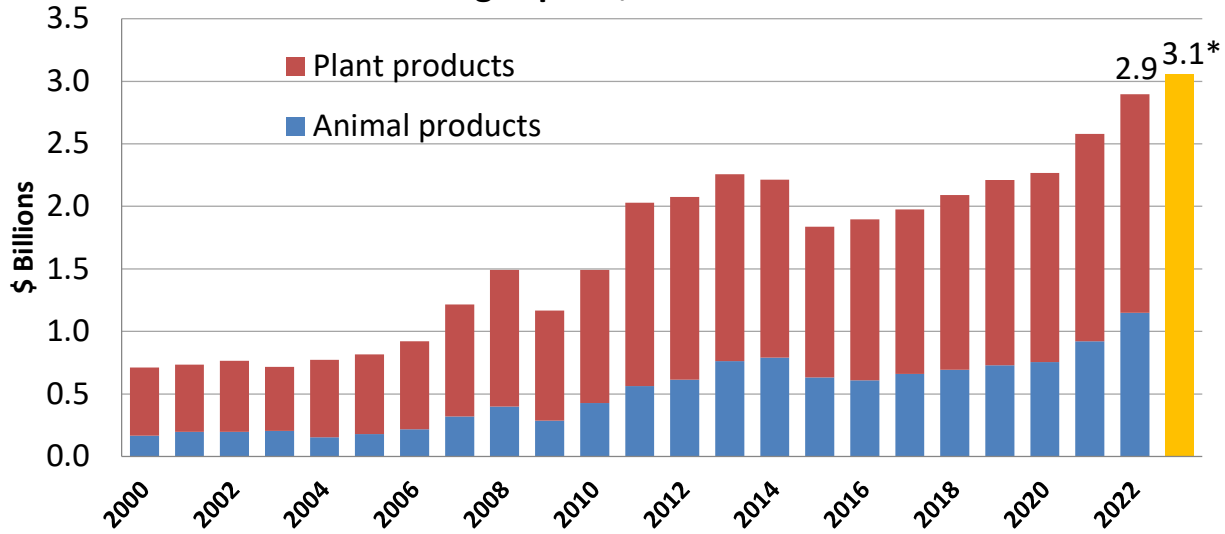


Source: USDA ERS

IDAHO AG EXPORTS AT RECORD HIGH IN 2022



Idaho Ag Exports, 2000 to 2022



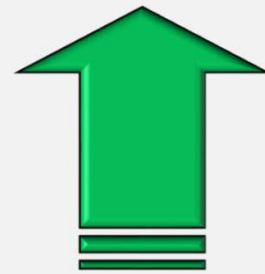
Source: USDA ERS

Idaho 2022 Net Farm Income – ALL TIME HIGH



- DESPITE -
 - Feed up 8% (\$1.6 billion)
 - Fertilizer up 31% (\$689 million)
 - Fuel up 16% (\$266 million)
 - Hired labor & non-cash comp. up 7% (\$912 million)
 - All-time high cash receipts overcame those higher costs

\$4.2 billion, 2022



\$2 billion, 2021

Source: University of Idaho

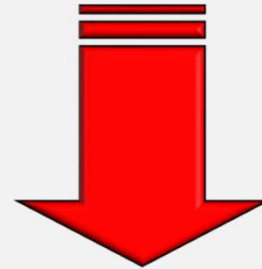


Idaho 2023 Net Farm Income

- Expected to be down

- Revenues are expected to be down only 1%
 - Biggest decliner is Government Payments (Forecast down 22% to 153 million)
- Most inputs were flat or slightly lower
- What's driving tighter Net Income?
 - Interest expense expected to be up 42% (\$714 million)
 - Property taxes, net rents, labor, custom hire expenses and non-cash employee compensation are all expected to be up 4-10%

\$4.2 billion, 2022



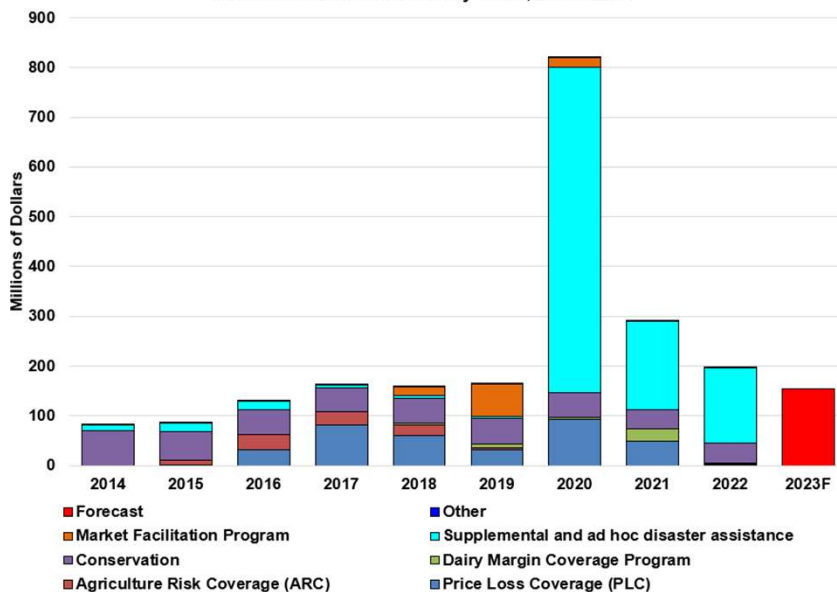
\$3.8 billion, 2023*

Source: University of Idaho



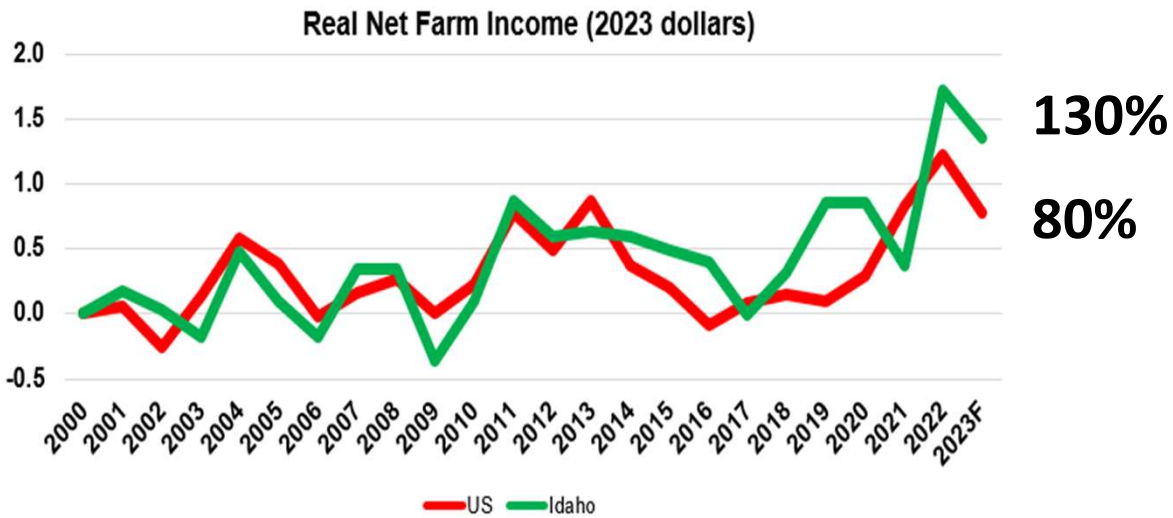
Idaho Direct Govt Payments

Idaho Direct Government Payments, 2014-2023F



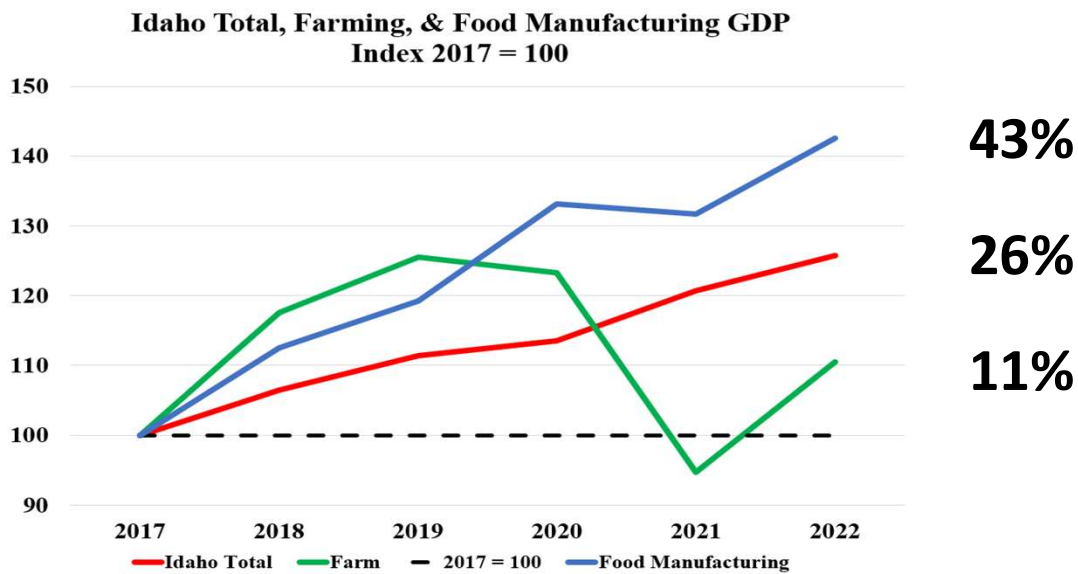
Source: USDA-ERS, University of Idaho

Idaho vs US Real Net Farm Income



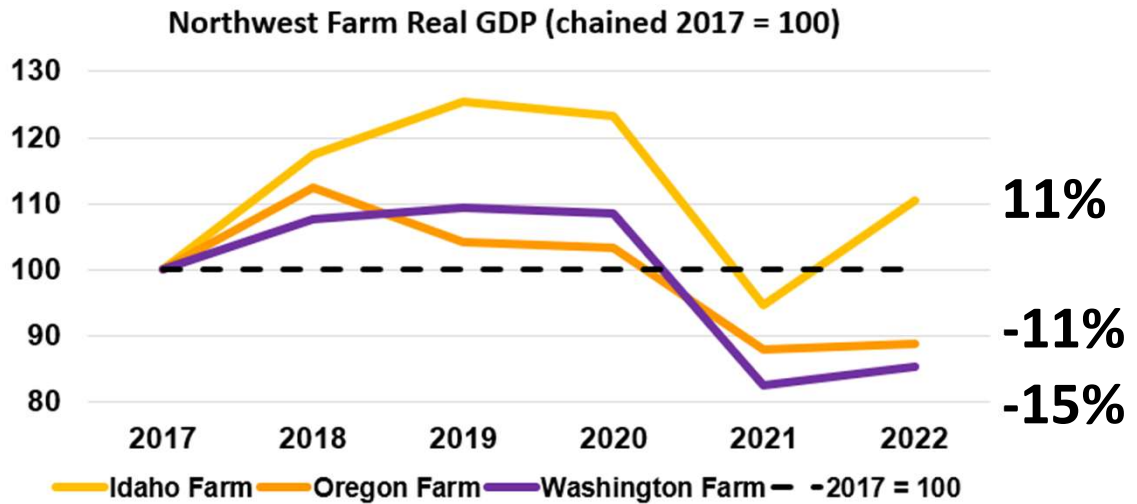
Source: USDA-ERS, University of Idaho

Growth in Idaho Farm GDP



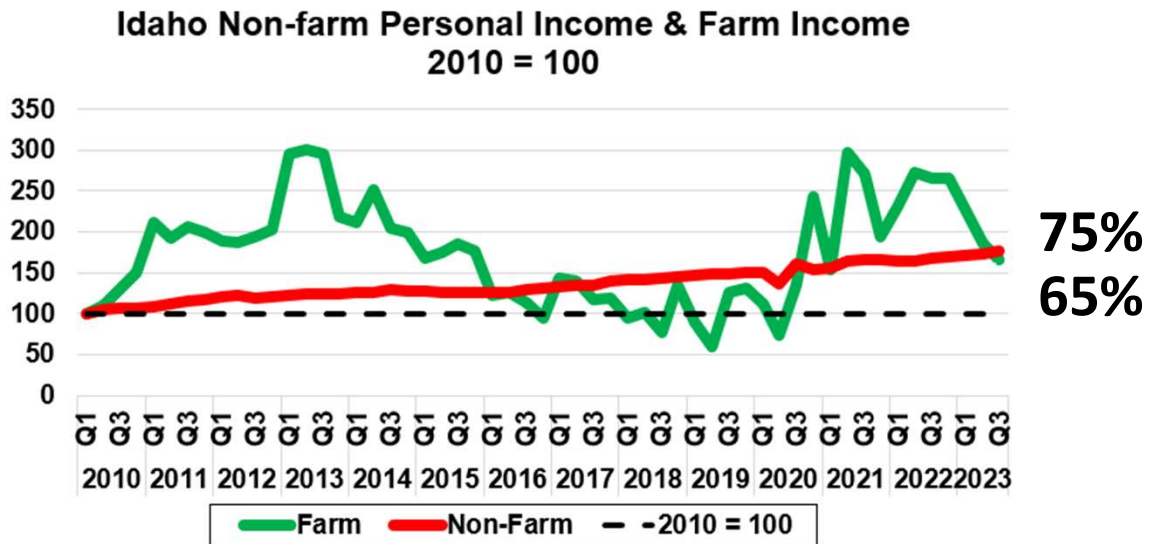
Source: US Dept. of Commerce, BEA

Idaho Farm GDP Leads the Northwest



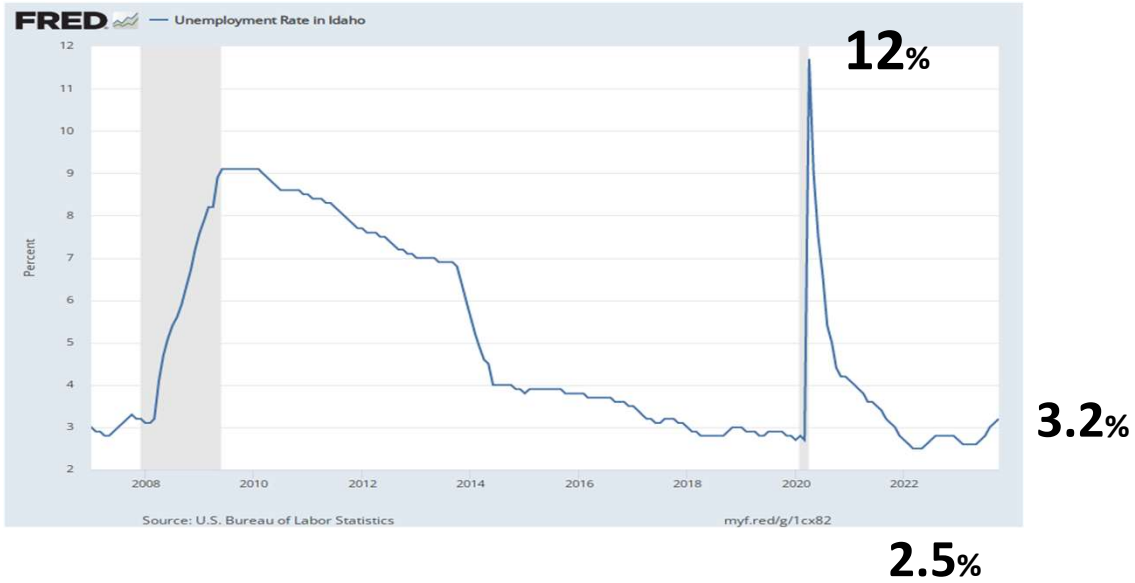
Source: BEA

Growth in Idaho non-farm personal income & farm income

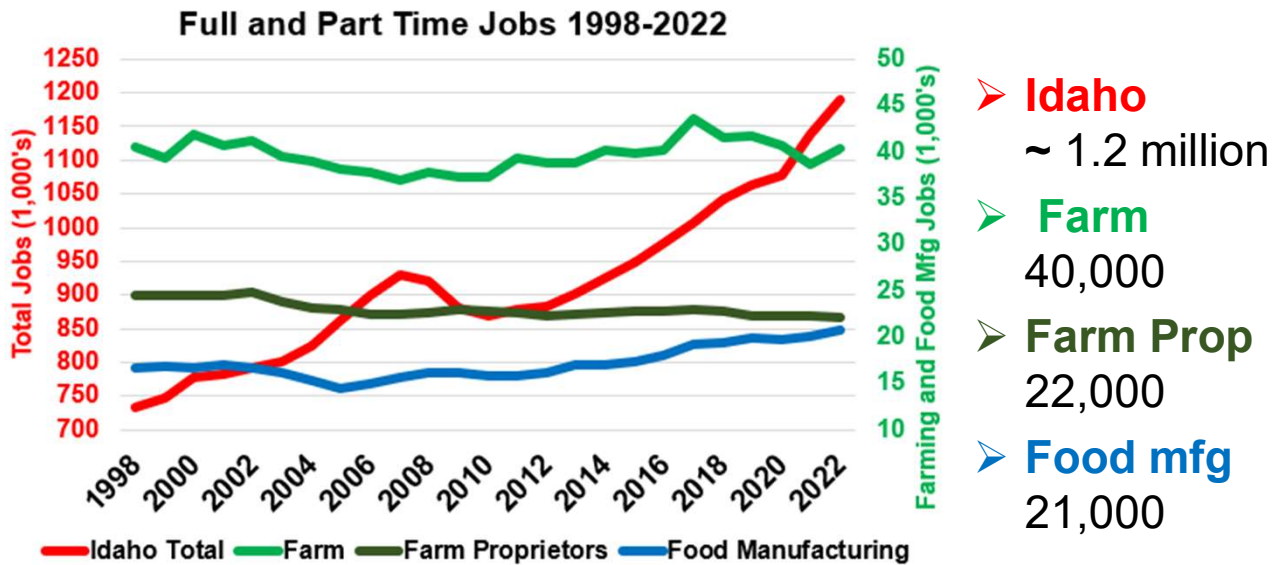


Source: US Dept. of Commerce, BEA

Idaho Unemployment: Jan 2007 to Oct. 2023



Farming & Food Mfg = steady jobs



Source: US Dept. of Commerce, BEA

Land Value Trends in Idaho - Considerations

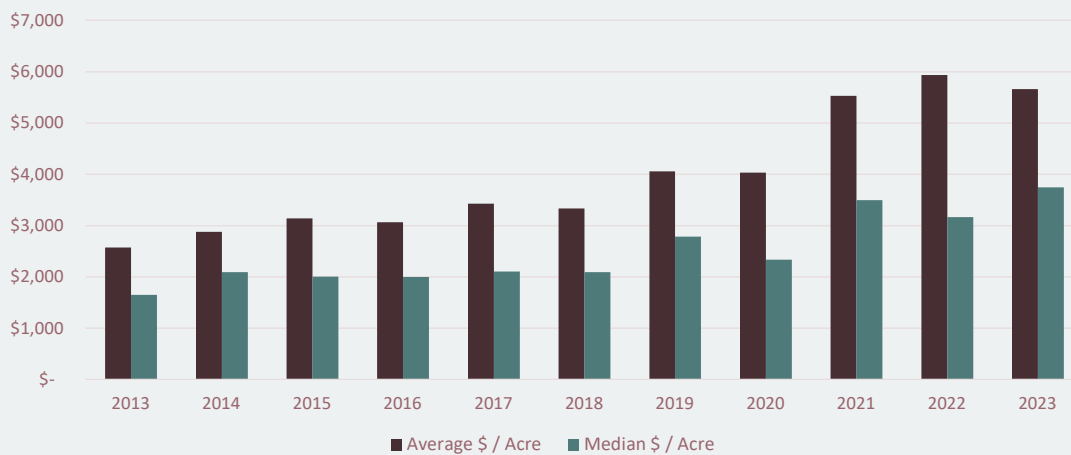


- The following graphs illustrate the average and median dollar per acre for agricultural properties in Idaho, forty acres and greater in size since 2013.
 - Included sales data is agricultural in nature, but includes a wide variety of property sizes and types
- The data is a macrocosm over a wide geographic area, based on AgWest Farm Credit's proprietary sales database.
- The data can be skewed by:
 - The influence of higher priced properties in certain locales
 - A higher number of transactions in lower priced areas relating to lack of supply of higher quality properties, thus affecting the average price.
- Unlike commodities where prices can change rapidly, real estate values typically change at a slower pace.
 - Confirmation of real estate transactions lags about 3-6 months.

Land Value Trends in Idaho – Entire State



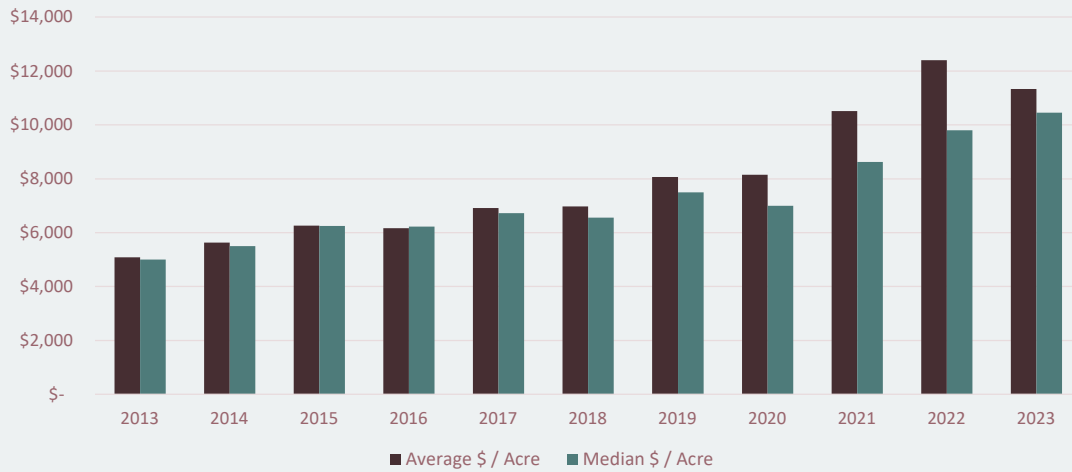
Average and Median Land Values
All Agricultural Property Types - Over 40 Acres



Source: AgWest Farm Credit's proprietary database

Land Value Trends in Idaho – Entire State

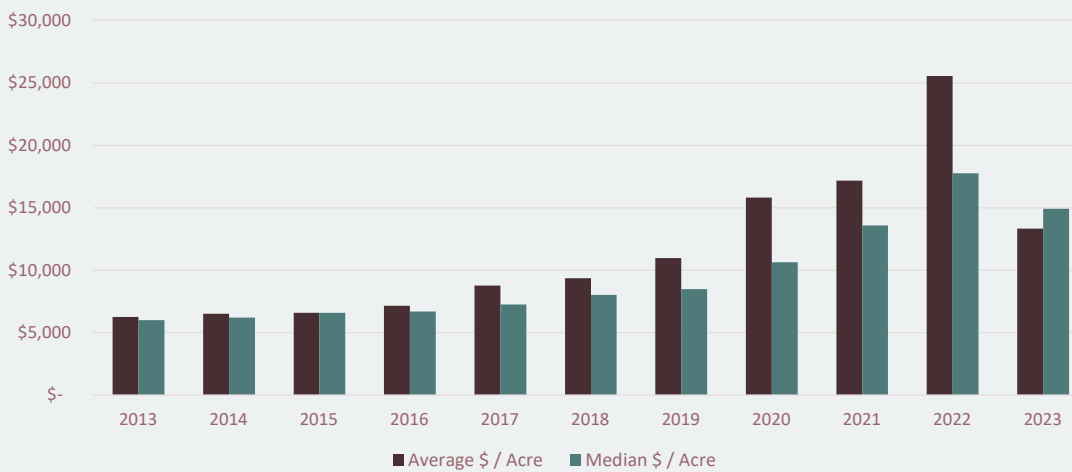
Average and Median Land Values Irrigated Properties in Idaho - Over 40 Acres



Source: AgWest Farm Credit's proprietary database

Land Value Trends in Idaho – Treasure Valley

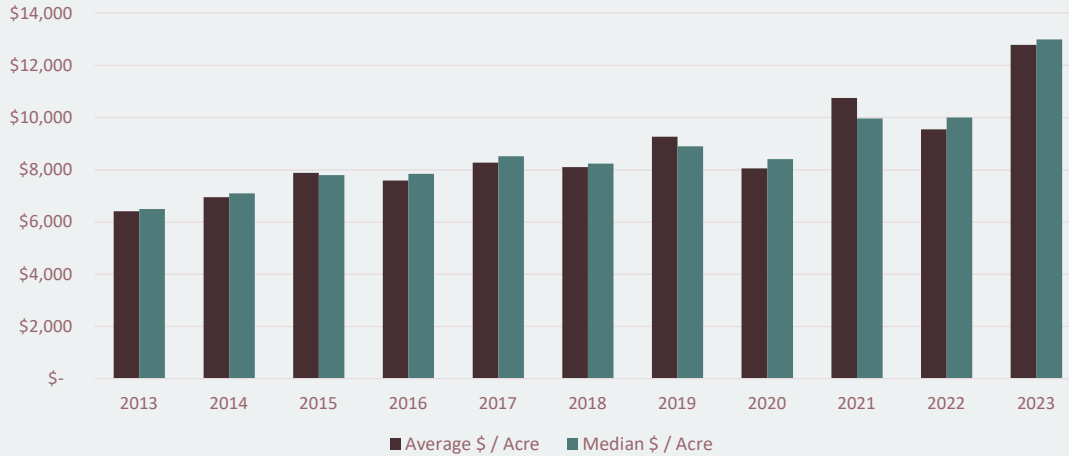
Average and Median Land Values Irrigated Properties - Over 40 Acres



Source: AgWest Farm Credit's proprietary database

Land Value Trends in Idaho – Magic Valley

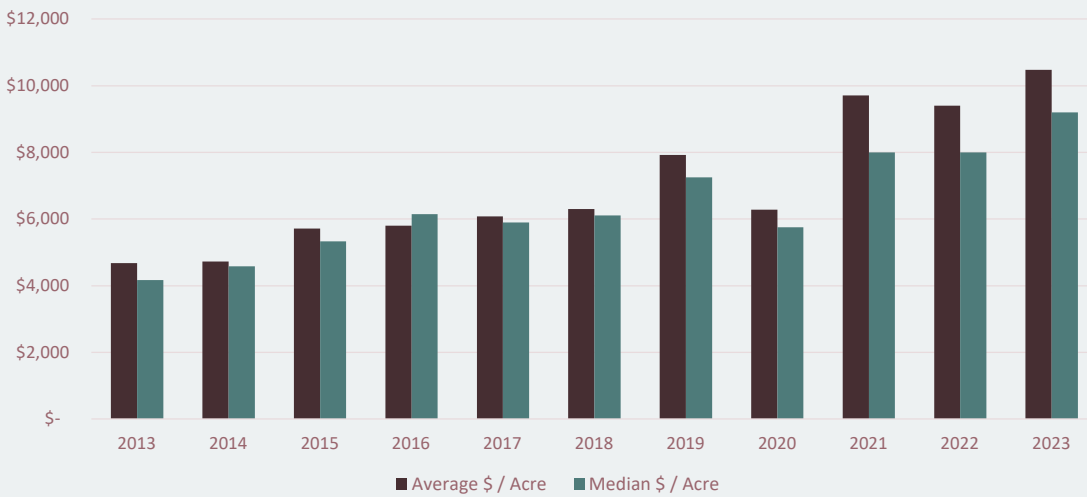
Average and Median Land Values Irrigated Properties - Over 40 Acres



Source: AgWest Farm Credit's proprietary database

Land Value Trends in Idaho – East Idaho

Average and Median Land Values Irrigated Properties - Over 40 Acres



Source: AgWest Farm Credit's proprietary database

2024 OUTLOOK – MARGIN CRUNCH



- 2023 USDA
 - All US NFI forecast down 17.4%
 - All US Production expenses up 3.5% on average
 - Bankruptcy rate at lowest level in 2023 since 2004
- Inflation and Interest Rates
- Exports continue to show strength
- Geopolitics are cause for concern
- How strong is the Consumer?



University of Idaho

College of Agricultural
and Life Sciences

QUESTIONS?