Economic Condition of Idaho Agriculture – 2018

House and Senate Ag Affairs Committee
January 24, 2019
Rita Du, Ben Eborn, and Garth Taylor

Ag Dependent Counties
Farm Sector Concentration

Source: BIA and staff calculations.
Idaho - 4th largest Ag economy

Farm GDP % per total

South Dakota  Nebraska  North Dakota  Idaho  Iowa  Montana  Kansas

Multiplier effects...AgBiz Idaho's largest industry

Idaho base output by sector of the Idaho economy, 2013

- Crop farming: 4%
- Livestock farming: 4%
- Ag processing: 13%
- Forest products: 3%
- Mining products: 3%
- Other mfg: 7%
- Services: 13%
- Trade: 4%
- Hi-Tech mfg: 11%
- Government and misc.: 10%
- Trans, construction, and utilities: 11%
- Households: 17%

Ag Biz multiplier effects
- 20% of output
- 14% of jobs
- 16% of GDP

Source: Taylor, Watson, & Eborn - University of Idaho
Agribusiness in the Magic Valley

2013 Magic Valley Agribusiness

- $2.5 BILLION in gross state product
- $9 BILLION of goods and services
- $4 BILLION (38%) of the Magic Valley gross regional product
- $12 BILLION (68%) of Magic Valley sales
- 18,000 jobs in farms and processors
- 46,000 (45%) of Magic Valley jobs

2018 cash receipts unchanged

- Cattle and Calves: 23%
- Milk: 33%
- Potatoes: 12%
- Hay: 7%
- Beans: 1%
- Barley: 3%
- Other Livestock: 3%
- Sugarbeets: 4%
- Other Crops: 7%

$7.20 billion, 2017
$7.18 billion, 2018

Source: University of Idaho
Cash Receipts -- quantity up prices down

Crops $2.9 billion, ↑5%
- Potatoes: ↓4%
- Barley: ↑3%
- Wheat: ↑16%
- Sugarbeets: ↑3%
- Hay: ↑26%

Livestock $4.3 billion, ↓4%
- Cattle & Calves: ↓1%
- Milk: ↓6%

Idaho real cash receipts outgrow U.S. by 30%

Index Real Cash Receipts (2018 dollars)

Source: USDA-ERS, University of Idaho
**Government payments drop**

**Idaho Government Payments, 2009-2018**

- **Direct Payments**
- **Conservation**
- **MILC, ACRE, LDP, Disaster & Other**
- **ARC & PLC**
- **Dairy MPP**

**Idaho Ag Exports -- 4th Year of Growth**

**Idaho Ag Exports, 2000 to 2018**

- **Plant products**
- **Animal products**

Source: Laura Johnson Idaho Dept. of Ag, USDA ERS, and Global Trade Atlas
Idaho Ag Exports: Dairy, Potatoes and NAFTA

ID Ag Exports by Country, 2017

- ROW: 34%
- Canada: 26%
- Mexico: 20%
- China: 7%
- Japan: 6%
- Korea, South: 7%

ID Ag Exports Share, 2017

- Dairy products: 18%
- Potato, Processed: 15%
- Beef: 9%
- Wheat: 15%
- Potato, fresh: 8%
- Other: 35%

Source: Laura Johnson, Idaho Dept. of Ag, USDA ERS, and Global Trade Atlas

Five years of net farm income drop, down 27%

Idaho Net Farm Income
(% change from 2017)

<table>
<thead>
<tr>
<th>TOTAL REVENUES</th>
<th>TOTAL EXPENSES</th>
<th>NET FARM INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>4%</td>
<td>-27%</td>
</tr>
</tbody>
</table>

$1.23 billion, 2017

$0.90 billion, 2018

University of Idaho
Idaho real net farm income growth drops to US level

Real (2018 dollars) Idaho vs US Net Farm Income
(1997 =100)

Farm GDP 60% more than Idaho GDP

Chained GDP Idaho vs Farm vs Food Mfg (1997=100)
7 Ag recessions since 2005
(quarter to quarter Idaho GDP % change)

Farming & food manufacturing = steady jobs

Full and Part Time Jobs 1998-2017

- Total Idaho
  - 1,002,000 jobs
  - Up 2% over 2016
- Farm
  - 42,000 jobs
  - Up 7% over 2016
- Food mfg
  - 19,000 jobs
  - Up 6% over 2016

Source: US Dept. of Commerce, BIA
Farm sector solvency and liquidity ratios weaken slightly

Note: F = forecast. The GDP chain-type price index is used to convert the nominal current-dollar statistics to real (inflation-adjusted) amounts (1919=100).
Data as of August 30, 2018.

Farmland: leading and current indicator

Average Dollar-per-Acre Value and Sales Activity Trend for Cropland & Pasture in ID, MT, OR, WA (40 acres and greater)

Source: Northwest FCS

Source: Northwest Farm Credit Services
QUESTIONS?