



University of Idaho
Extension

Financial Conditions Idaho Ag, 2022

SENATE AND HOUSE AGRICULTURAL AFFAIRS
ECONOMIC COMMITTEE

Brett Wilder, Rita Du, Garth Taylor
8 am and 1:30 pm Jan. 26, 2023

Attachment 1 - January 24, 2023



Idaho; Small Economy with Big Ag

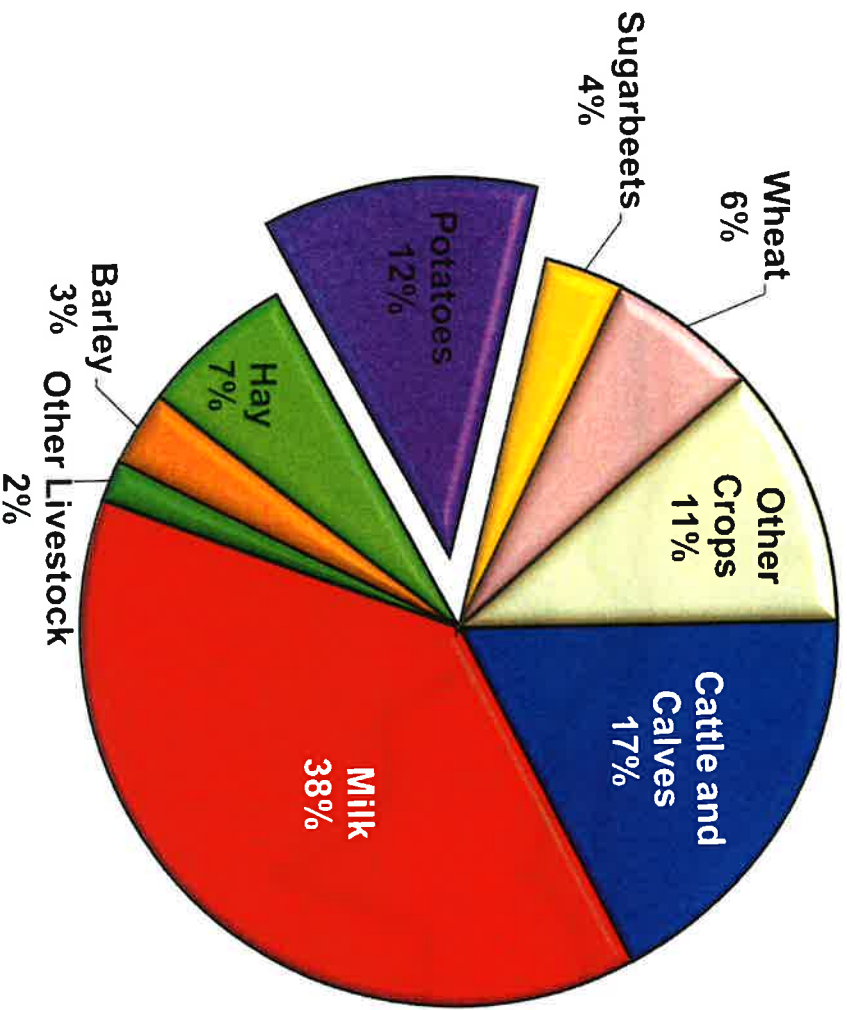
5th largest Ag state (Ag GDP as % state GDP) South Dakota, North Dakota, Nebraska, and Iowa

Idaho Ag Biz Sales 17% (high tech mfg. 7%), Jobs 12%, GDP 12.5 %

Magic Valley Ag Biz over 40% jobs

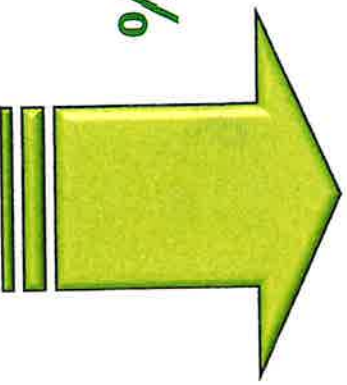
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2022 All-time High Idaho Cash Receipts, 2022F



\$11 billion, 2022

up 28%



\$8.6 billion, 2021

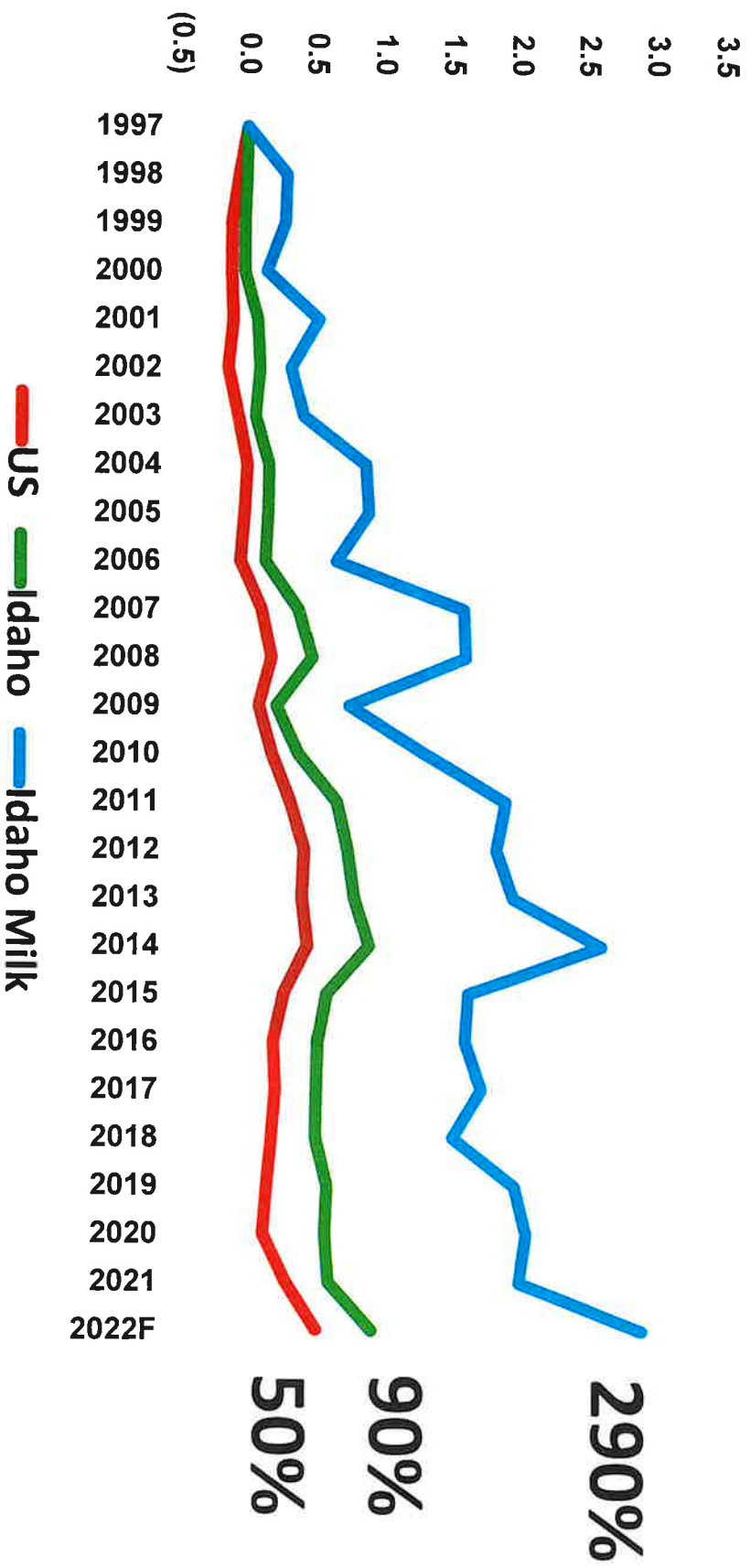
Source: University of Idaho

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Idaho Cash Receipts Outgrows US

Real Cash Receipts (2022 dollars)



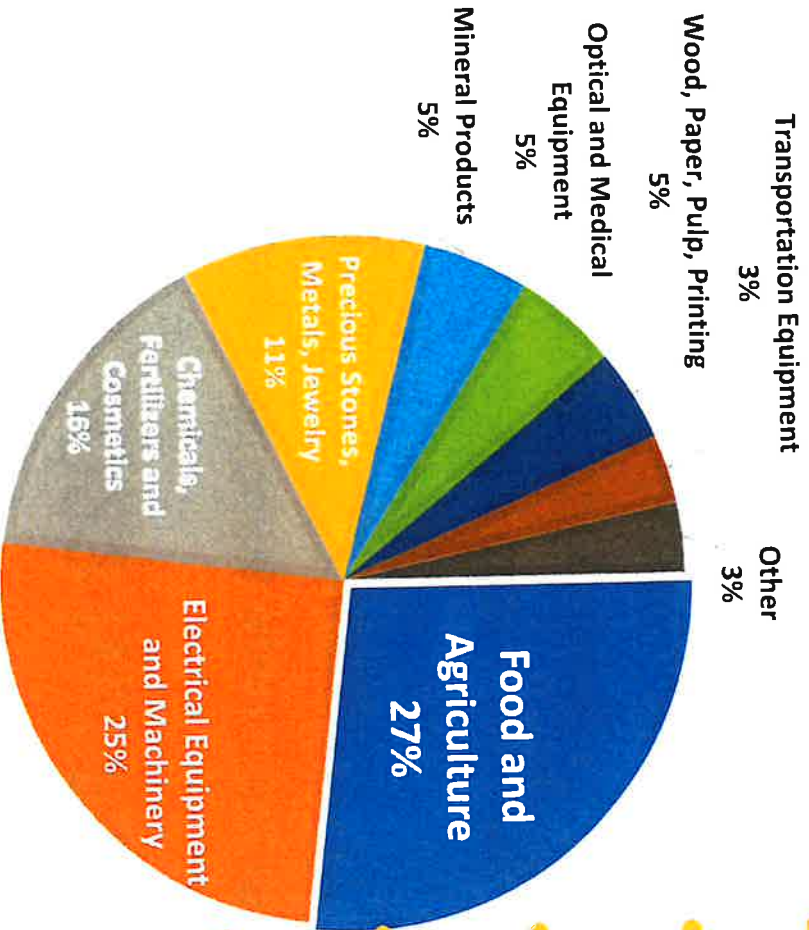
Source: USDA-ERS, University of Idaho

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Record Idaho Exports



2021 IDAHO EXPORTS BY INDUSTRY



- 2021, Idaho's total export \$3.8 billion
- Food and Ag export \$1 billion
- 2021 Ag export at a record high
- Canada and Mexico >50%
- Dairy, potatoes, wheat

Source: Idaho Commerce

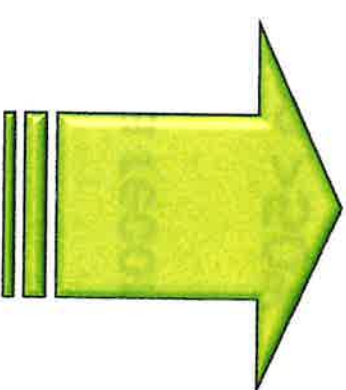
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Idaho 2022 Net Farm Income, up 56%

- Direct govt payments down 36% (\$185 million)
- **Feed up 17% (\$1.8 billion)**
- Fertilizer up 47% (\$1 billion)
- Pesticides up 36% (\$417 million)
- Fuel up 47% (\$393 million)
- Hired labor & non-cash comp. up 7% (\$975 million)
- Interest Expense up 41% (\$567 million)

\$3.0 billion, 2022



\$1.9 billion, 2021

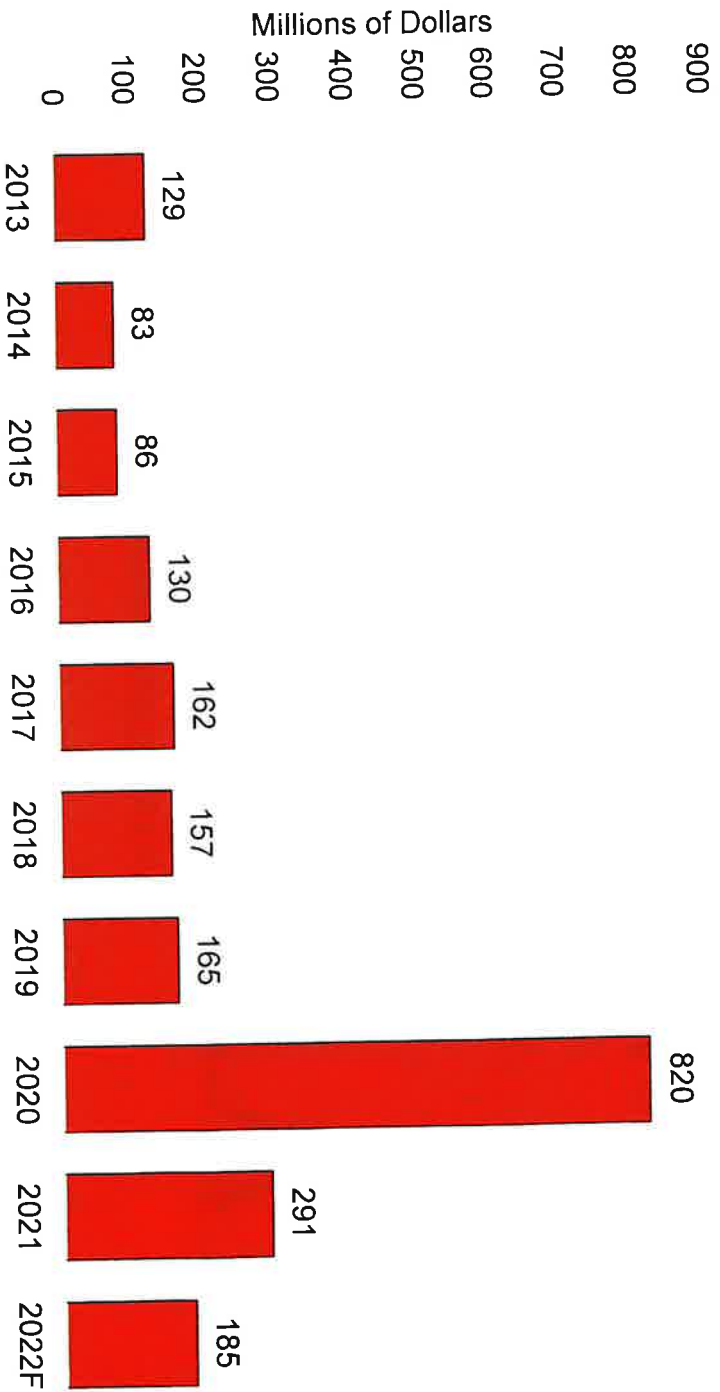
Source: University of Idaho

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Idaho Direct Govt Payments

Direct Government Payments

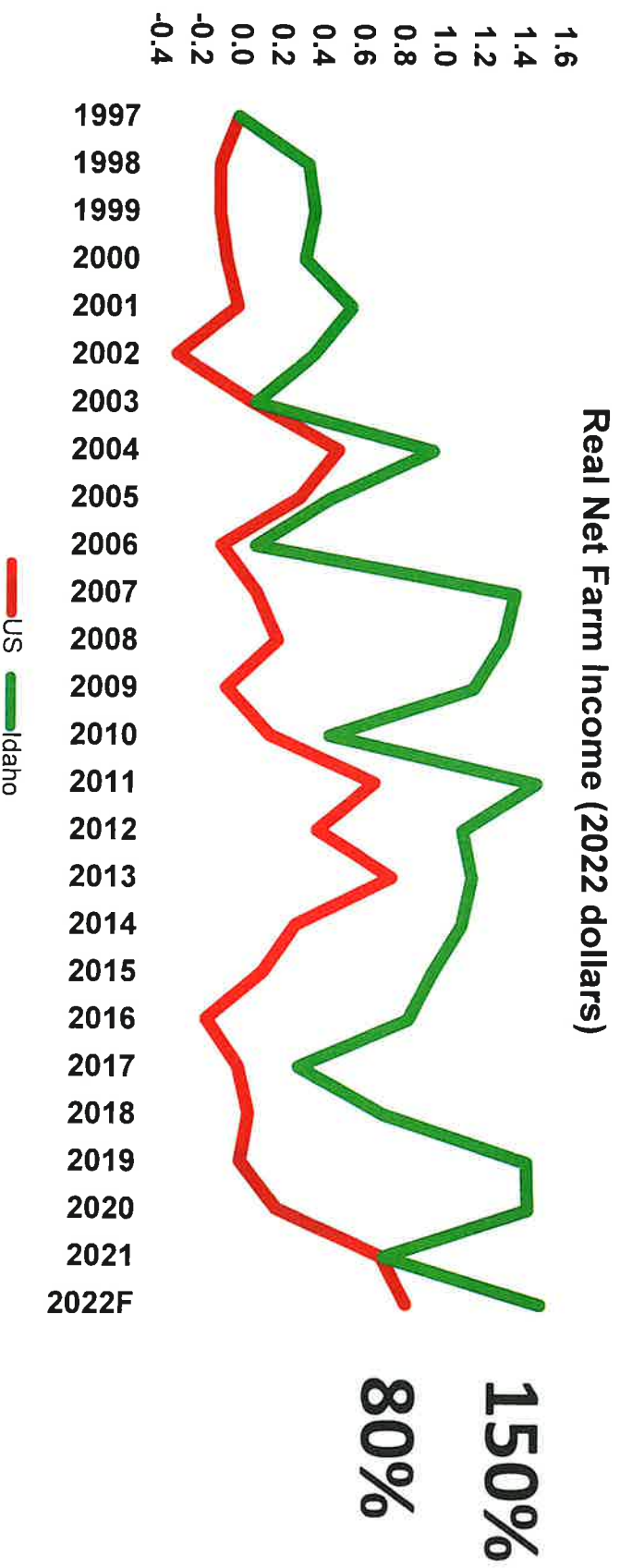


Source: USDA-ERS, University of Idaho

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Idaho Outgrows US over 2X



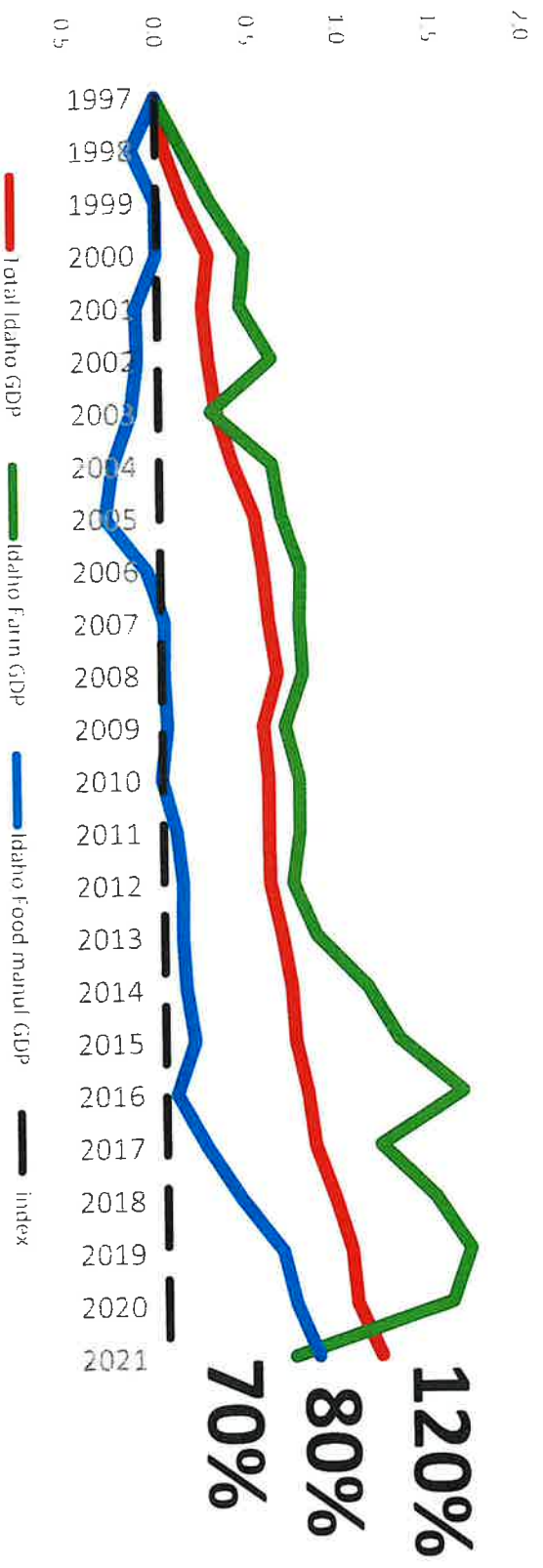
Source: USDA-ERS, University of Idaho

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Idaho Farm GDP Outgrows Idaho Total

Idaho GDP index (chained 2012 dollars)



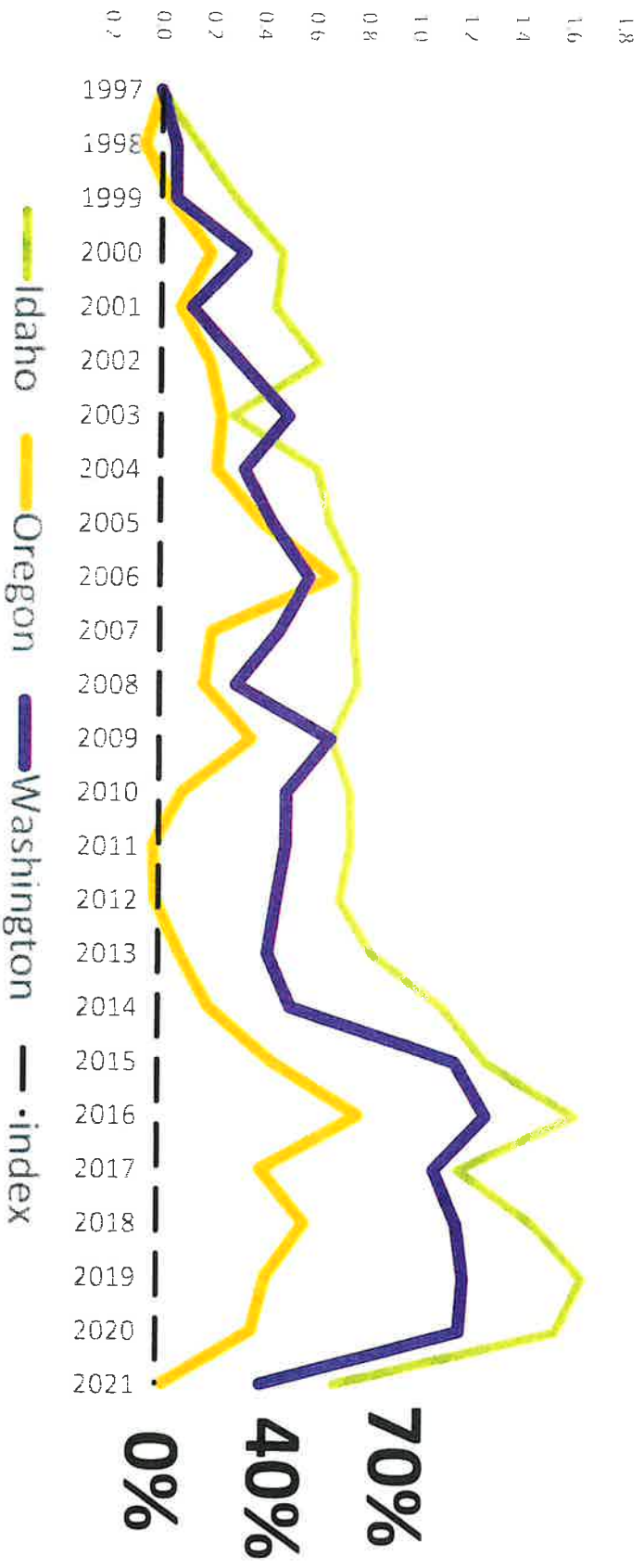
Source: US Dept. of Commerce, BEA

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Idaho Farm GDP Leads the Northwest

Northwest Farm Real GDP (chained 2012 = 100)



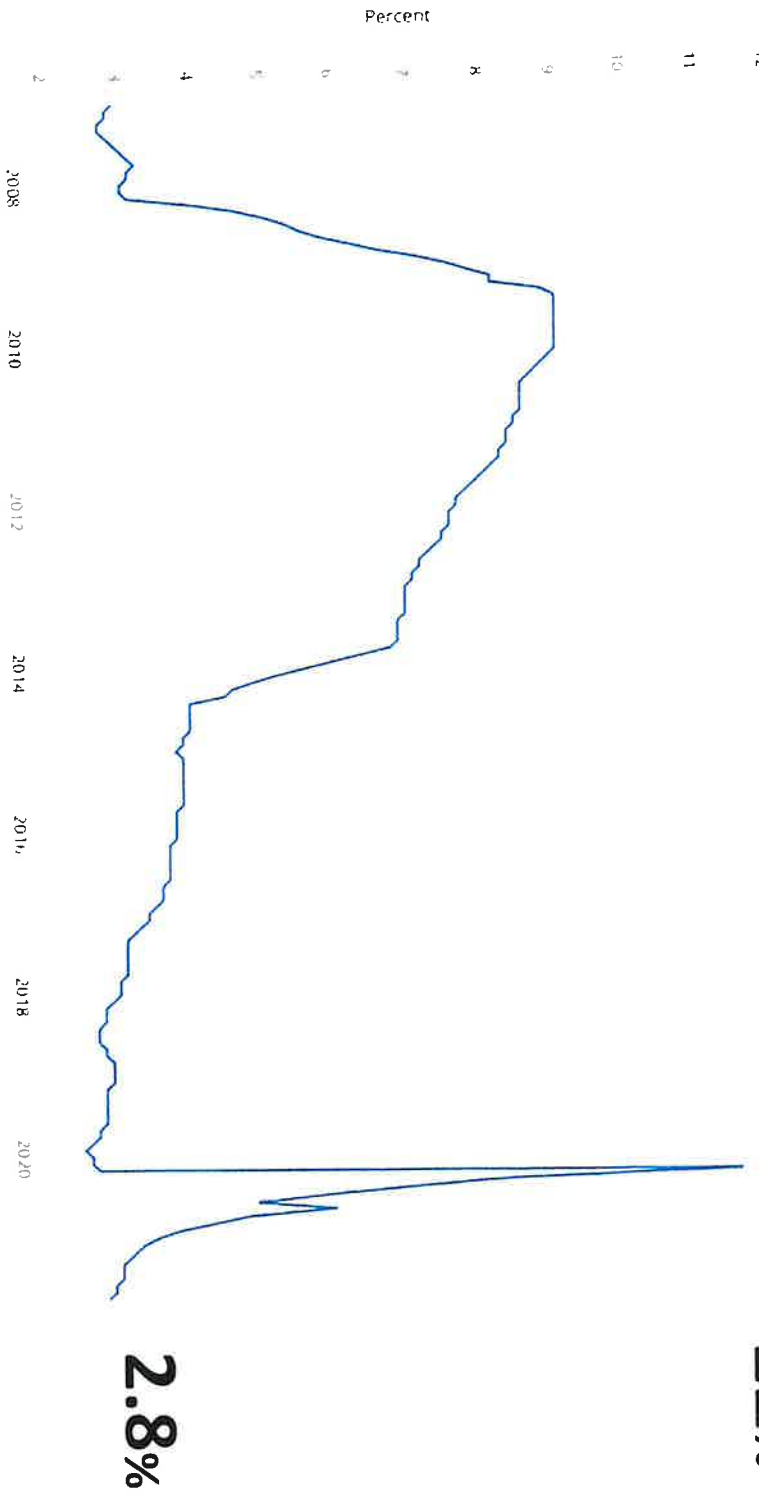
Source: BEA

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Idaho Unemployment: July 2007 to Sept. 2022

FRED — Unemployment Rate in Idaho



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

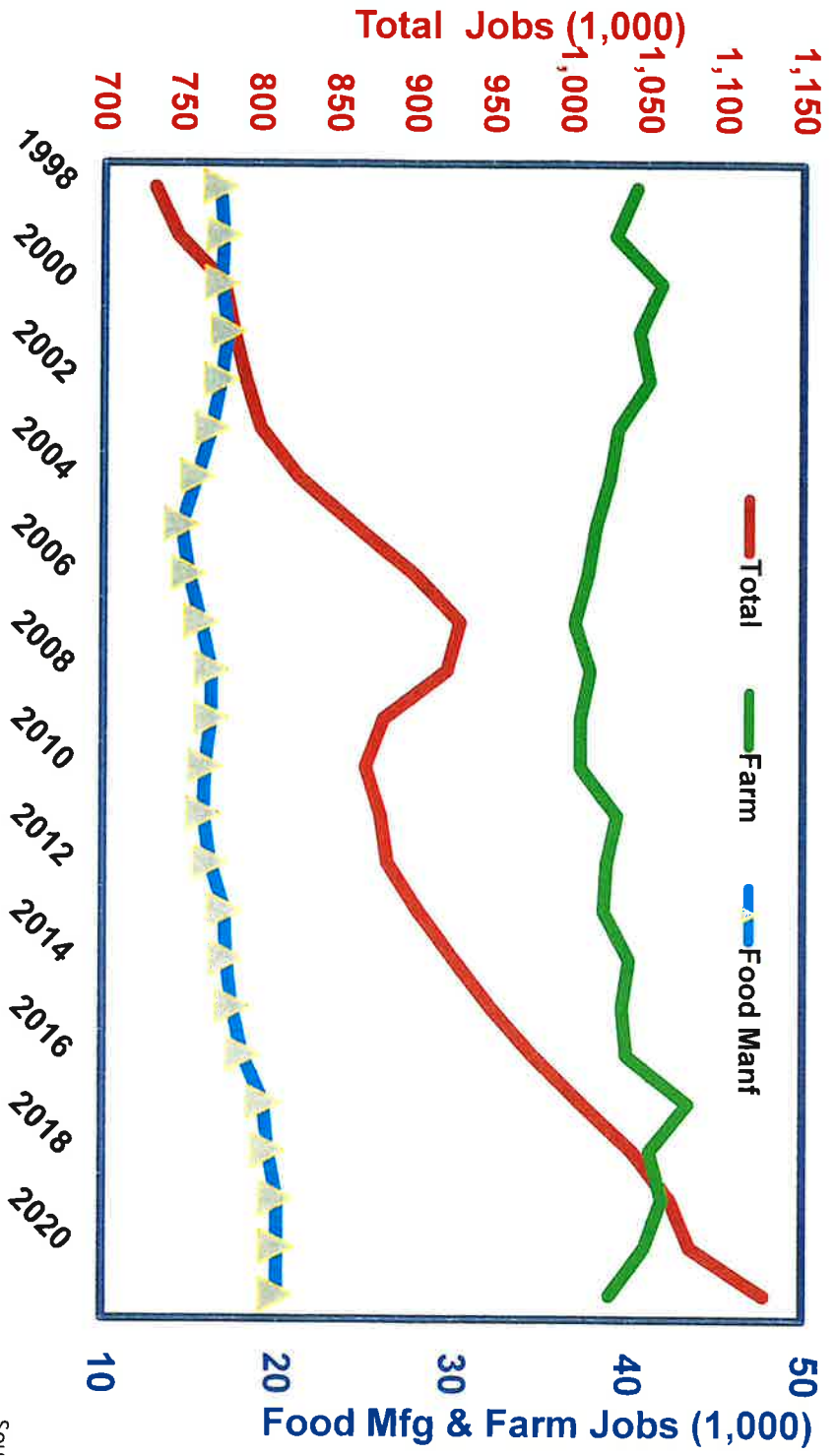
myfred.org
2.5%

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Farming & Food Mfg = steady jobs



Full and Part Time Jobs 1998-2021



- ▶ Idaho Over 1 million
- ▶ Farm 39,000
- ▶ Food mfg 20,000

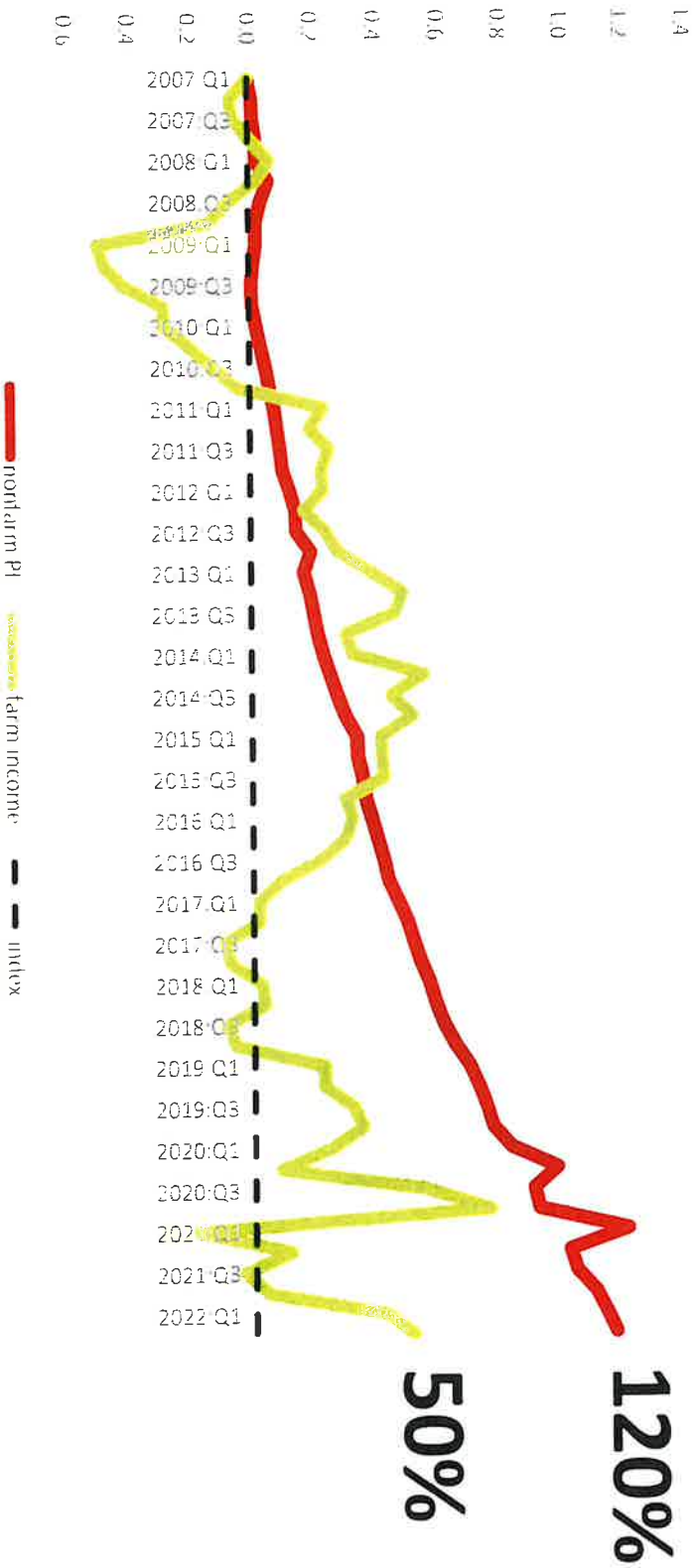
Source: US Dept. of Commerce, BEA

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Idaho Non-farm vs Farm Personal Income

Idaho Non-farm Personal Income & Farm Income

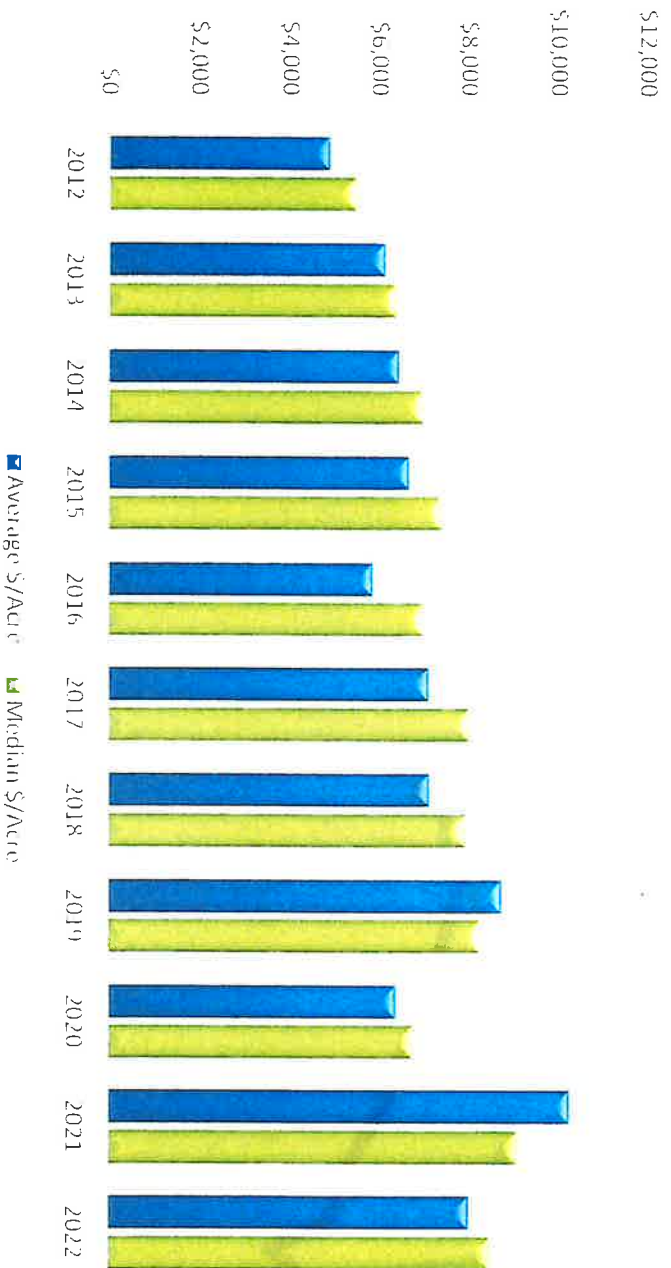


Source: US Dept. of Commerce, BEA

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MAGIC VALLEY \$8,000

Average and Median Land Values Irrigated Properties over 40 Acres Magic Valley



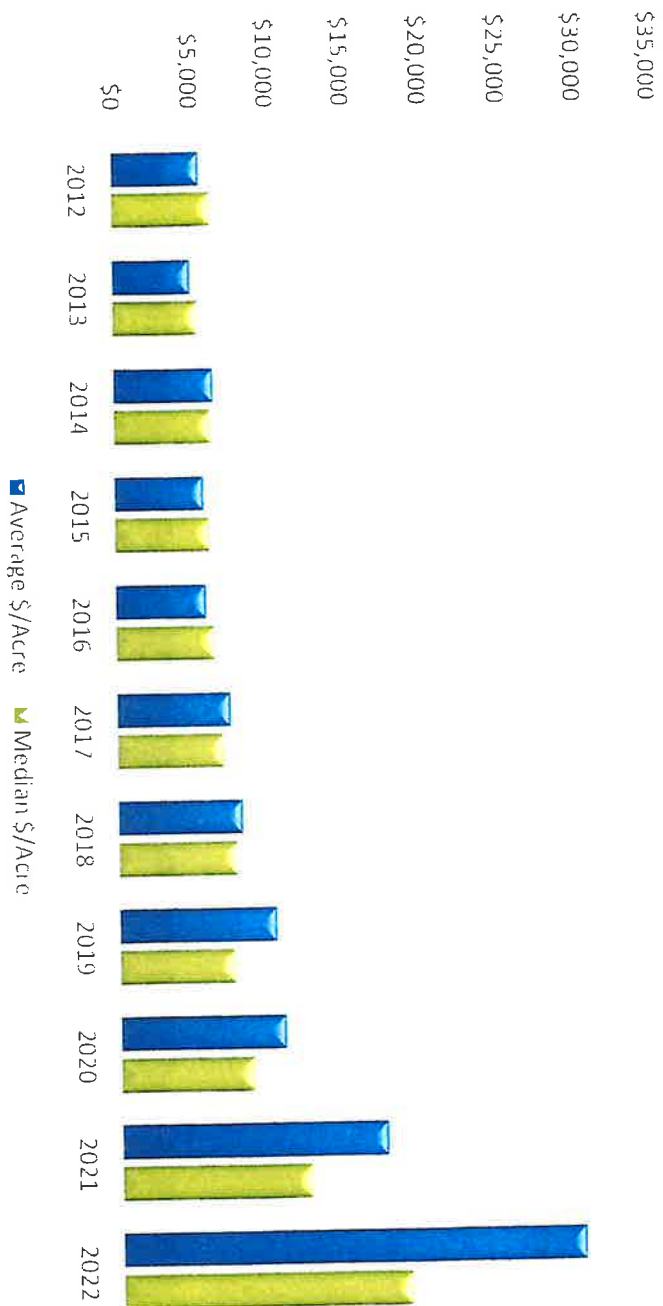
Source: Northwest FCS proprietary database

Northwest Farm Credit Services

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TREASURE VALLEY \$30,000

Average and Median Land Values Irrigated Properties over 40 Acres Treasure Valley



Source: Northwest FCS proprietary database

Northwest Farm Credit Services

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IDAHO FARM CREDIT CONDITIONS

- Clean balance sheets
- Few distressed loans—Brett index
- High prices erase every error

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CROP PRICES DON'T EQUAL FOOD PRICES

2020 nominal food dollar and percent change in industry group shares, 2019-20

USDA Economic Research Service
U.S. Department of Agriculture



Percent change in industry group shares of the food dollar, 2019-20



Notes: Other includes two industry groups: Agribusiness, and Legal and accounting. Agribusiness includes all establishments producing farm supplies (except those described in other industry groups) such as seed, fertilizers, farm machinery, as well as farm services and all subcontracting establishments. These groups are not shown in the bar graph because they did not have a change in shares between the two years. Advertising, Energy, and Legal and accounting.

Source: USDA, Economic Research Service, Food Dollar Series data product.

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2023 OUTLOOK... THERE IS GOING TO BE A RECESSION



- Recession, Idaho, US, Global
- Inflation – feed, land rent, fertilizer, fuel
- Drought
- Supply chain
- Ukraine
- End of cheap money
- Strong leading indicators, Land and dairy herd
- Export strength despite strong dollar

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