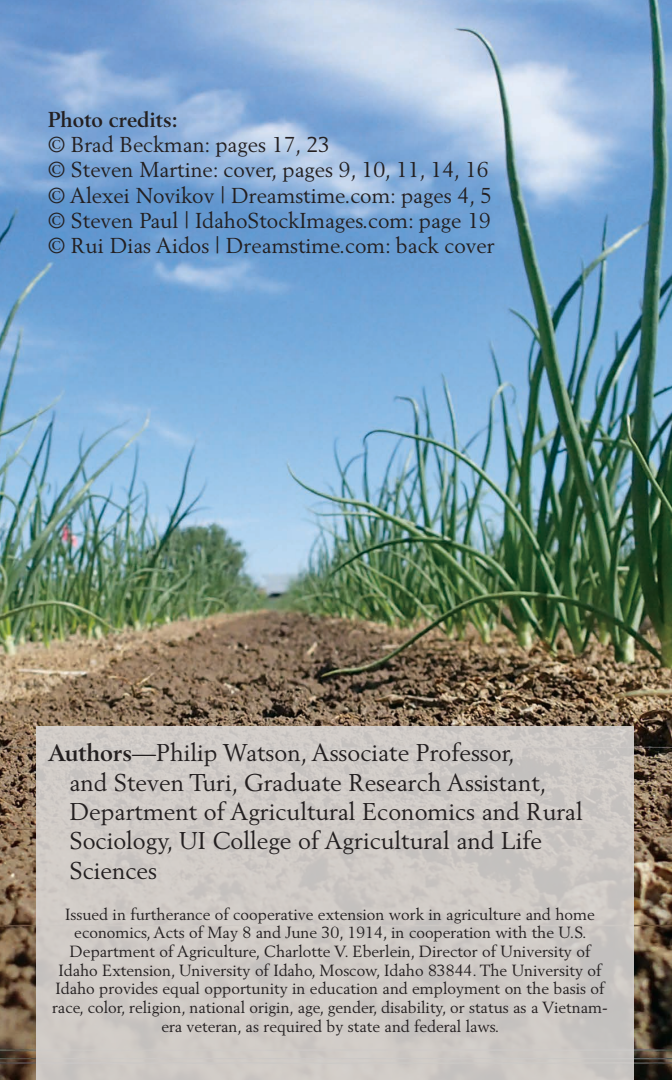


# Economic Contribution of Idaho Agribusiness

2014

A photograph of a potato field. In the foreground, several large, reddish-brown potatoes are visible, partially covered in soil. The background shows a green tractor working in the field, with a blurred landscape and sky.

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# Base Contribution of Idaho Agribusiness, 2012

Taking into account economic activity generated in other sectors of the Idaho economy by agribusiness exports, Idaho agribusiness in 2012 generated:

- **\$25.1 billion in sales**, or 20% of Idaho's total economic output
- **124,000 Idaho jobs**, or 1 in every 7 jobs in the state
- **\$9.1 billion in value added<sup>1</sup>**, or 14% of Idaho's gross state product (GSP)

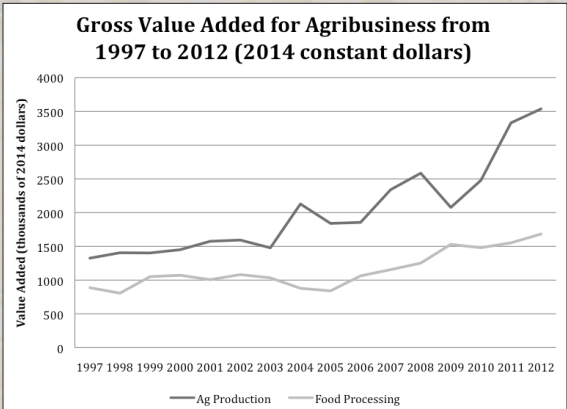
<sup>1</sup>Value added is the sum of employee compensation, proprietary income, returns to capital, and indirect business taxes and is a measure of a sector's contribution to GSP.

Source: Author calculations using IMPLAN 2012 data

# Gross Contribution of Idaho Agribusiness, 2012

Agribusiness alone (not accounting for multiplier effects) accounted for:

- \$18.8 billion in sales
- 61,000 Idaho jobs
- \$4.8 billion in value added



Source: U.S. Bureau of Economic Analysis

## Definitions

**Agribusiness** is the vertically integrated industrial complex comprising all production agriculture—crop farming and livestock production—and the processing of agricultural products.

The total economic contribution of agribusiness to the Idaho economy can be described in two ways, using gross values and base values:

**Gross values** are the government-reported measures of economic activity in agribusiness—output (sales), jobs, and value added. Measuring gross values is an accounting task.

**Base values** include the agribusiness sector's export activity and the economic activity it spawns within other sectors of the state economy. The base sales contribution of the agribusiness sector, for example, is calculated as the sector's sales outside the state times the sector's multiplier. In gross analysis, the sale of a tire to a wheat producer would be credited to the state economy's retail trade sector; in base analysis, it would be credited to agribusiness.

In base analysis, the total economic contribution of agribusiness is made up of direct and indirect contributions:

**Direct contributions** are the jobs, value added, and output attributable to the out-of-state export of crop and livestock products.

**Indirect contributions** are generated when agribusiness firms purchase materials and services from other Idaho businesses to produce their exports.

Direct and indirect contributions are reported in terms of sales, jobs, wages, and value added:

**Sales** represents the output in the agribusiness sector.

**Jobs** represents wage-earning and salaried employees, including self-employed workers, in agribusiness.

**Wages** are payments to workers, including benefits.

**Value added** is proprietary income and wages plus indirect taxes and other property-type income such as payments for rents, royalties, and dividends. Value added and gross state product (GSP) are equivalent measures in total but are estimated using different methods and data sources.

Sources:

“Contribution of Agribusiness to Idaho’s Economy, 2010,” by Taylor, G., B. Eborn, P. Watson and A. Rodriguez. CIS 1186. University of Idaho Extension, Feb. 2012.

“Economic Contribution of the Agricultural Sector to the Arkansas Economy in 2011,” by English, L., J. Popp, and EW. Miller. Research Report 992. Arkansas Agricultural Experiment Station, University of Arkansas System Division of Agriculture, Fayetteville. 2013.

# Contribution of Agribusiness to Idaho's Economic Base

## *Sales contribution of the agribusiness sector in Idaho, 2012.*

	Direct sales (exports)	Indirect sales	Total
Crop production	\$4.3 billion	\$3.4 billion	\$7.7 billion
Livestock and dairy production	\$2.4 billion	\$1.6 billion	\$4.0 billion
Agricultural processing	\$7.1 billion	\$6.3 billion	\$13.4 billion
<b>Total</b>	<b>\$13.7 billion</b>	<b>\$11.4 billion</b>	<b>\$25.1 billion</b>

## *Value added contribution of the agribusiness sector in Idaho, 2012.*

	Direct value added	Indirect value added	Total
Crop production	\$1.5 billion	\$2.0 billion	\$3.5 billion
Livestock and dairy production	\$916 million	\$698 million	\$1.6 billion
Agricultural processing	\$1.0 billion	\$3.0 billion	\$4.0 billion
<b>Total</b>	<b>\$3.4 billion</b>	<b>\$5.7 billion</b>	<b>\$9.1 billion</b>



Agribusiness contributed:

- Over **\$25 billion in total sales**, which means agribusiness is responsible for generating 20% of the state's sales.
- Over **\$9.1 billion in value added**, which means agribusiness is responsible for 14% of Idaho's GSP.
- **124,000 jobs**, which is approximately 1 in every 7 jobs in the state.
- **\$3.8 billion in wages**, which is approximately \$1 of every \$8 of wages paid in the state of Idaho.

Source: Author calculations using IMPLAN 2012 data





# Agribusiness in Idaho vs. Neighboring States

The agribusiness sector's share of the state economy is much greater in Idaho than in all of its neighbors and in the United States as a whole<sup>1</sup>.

Approximately how much greater?

- 7.5 times greater than in Nevada
- 4 times greater than in Wyoming
- 3.75 times greater than in Washington
- 3 times greater than in Oregon
- 3 times greater than in Utah
- 3 times greater than in the United States as a whole
- 2 times greater than in Montana

<sup>1</sup>Calculations based on the percent contribution of the agribusiness sector to Idaho's GSP.

Source: Author calculations using IMPLAN 2012 data

# National Rankings: Crop and Livestock Production

Idaho ranks in the top 13 states in the production of 25 agricultural commodities (2012 production year).

No. 1 in Potatoes	No. 4 in Dry Edible Peas
No. 1 in Trout (Food size)	No. 4 in Lentils
No. 2 in Alfalfa Hay	No. 4 in Onions (Summer Storage)
No. 2 in Austrian Winter Peas	No. 5 in Dry Edible Beans
No. 2 in Barley	No. 5 in All Hay
No. 2 in Sugarbeets	No. 5 in Sweet Cherries
No. 2 in Wrinkled Seed Peas	No. 7 in Wool
No. 3 in Cheese	No. 7 in Wheat
No. 3 in Milk Production	No. 7 in Sheep and Lambs
No. 3 in Hops	No. 9 in Apples
No. 3 in Mint	No. 12 in Peaches
No. 3 in Prunes and Plums (Fresh)	No. 12 in Honey
	No. 13 in Cattle and Calves

Source: National Agricultural Statistics Service (2013 Idaho Agricultural Statistics)

# National Rankings: Gross Production and Cash Receipts

Agriculture is vital to Idaho's diverse economy, and Idaho agriculture ranks high when compared to the rest of the nation:

## **No. 1 in potato production in 2012**

**143,240,000 cwt** out of the nation's 467,126,000. (*USDA NASS, 2013; Idaho Agricultural Statistics 2013*)

## **No. 15 in total livestock cash receipts in 2012**

Approximately **\$4.0 billion** (*USDA Economic Research Service, 2013*)

## **No. 20 in total crop cash receipts in 2012**

**\$3.6 billion** (*USDA Economic Research Service, 2013*)

## **No. 21 in agricultural cash receipts in 2012**

**\$7.6 billion.**

Idaho had 24,500 farms on 11,400,000 acres in 2012. (*USDA NASS, 2013; Idaho Agricultural Statistics 2013*). They generated a net income of \$2.75 billion. (*Idaho Agricultural Statistics 2013*).

# Idaho Agricultural Exports

Idaho ranked 21st nationally in total international agricultural exports in 2012, with a value of \$2.37 billion.

Idaho ranked in the top five in the nation for international exports of four commodities:

- **No. 4 in dairy**, with international exports valued at \$335.3 million
- **No. 4 in processed vegetables**, with international exports valued at \$229.2 million
- **No. 4 in fresh vegetables**, with international exports valued at \$122.1 million
- **No. 5 in wheat**, with international exports valued at \$405 million

Source: USDA Economic Research Service, 2013



# Agricultural Commodities: Gross Receipts and Production

*Cash receipts and production for Idaho's crop and livestock commodities, 2012.*

Commodity	Cash receipts (thousands \$)	Production (thousands)	Unit	Rank among states
Milk production	2,426,882	13,558,000	lb	3
Cattle & calves	1,200,676	2,370	head	13
Food-size trout	-	36,600	count	1
Potatoes	938,222	143,240	cwt	1
Alfalfa hay	798,720	4,160	ton	2
Winter wheat	482,480	59,200	bu	8
Sugarbeets (2011)	395,932	6,425	ton	2
Barley	351,670	53,690	bu	2
Spring wheat	319,200	38,000	bu	5
Corn—grain	189,810	25,650	bu	-
Dry beans	107,352	3,024	cwt	5
Onions	52,050	6,205	cwt	4
Apples	17,183	75	lb	9
Hops	11,372	4,228	lb	3
Lentils	10,867	384	cwt	4
Peaches	9,098	7.6	ton	12
Sweet cherries	8,706	3.6	ton	5
Dry edible peas	7,953	494	cwt	4
Honey	4,946	3,072	lb	12
Wrinkled seed peas	3,852	120	cwt	2
Prunes & plums	1,609	2.7	ton	3
Austrian winter peas	1,156	59	cwt	2

Source: National Agricultural Statistics Service (Idaho Agricultural Statistics 2013)

# Gross Economic Contribution: Idaho Crops

Idaho's crops sector includes all activities in the production and support of potatoes, sugarbeets, food and feed, grains, hay and pasture, fruits, nuts, vegetables, and oil-bearing crops and support services for crop farming such as custom harvester operations.

## *Gross contribution of crop production to the Idaho economy, 2012.*

Jobs	30,200
Wages	\$627 million
Value added	\$2.0 billion

Crop farming in Idaho makes a gross contribution of

- 50% of all agribusiness jobs
- 36% of all agribusiness wages
- 43% of all agribusiness value added



Source: Author calculations using IMPLAN 2012 data



# Gross Economic Contribution: Idaho Livestock

Idaho's animal livestock sector includes the production of beef, dairy products, poultry, eggs, trout, and other animals and their products.

*Gross contribution of livestock production, including dairy, to the Idaho economy, 2012.*

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Jobs	14,300
Wages	\$217 million
Value added	\$1.5 billion

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Livestock production in Idaho makes a gross contribution of

- 23% of all agribusiness jobs
- 12% of all agribusiness wages
- 31% of all agribusiness value added

Source: Author calculations using IMPLAN 2012 data



# Gross Economic Contribution: Idaho Agricultural Processing

Idaho's agricultural processing sector makes products from both crops and livestock. Examples include grain milling, sugarbeet processing, and cheese manufacturing.

*Gross contribution of agricultural processing to the Idaho economy, 2012.*

Jobs	16,400
Wages	\$909 million
Value added	\$1.3 billion

Agricultural processing in Idaho makes a gross contribution of

- 27% of all agribusiness jobs
- 52% of all agribusiness wages
- 27% of all agribusiness value added

Sources:

Author calculations using IMPLAN 2012 data

"Role of Agricultural Processing in Idaho's Economy: Status and Potential," by Lewin, P. et al. Bulletin 886. University of Idaho Extension, Dec 2013.



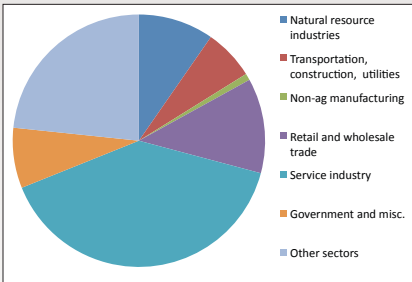


# Indirect Contribution of Agribusiness to Idaho Jobs

Other sectors of Idaho’s economy gain 88,000 jobs thanks to the direct operations of Idaho’s agribusinesses.

## *Agribusiness’s contributions to jobs in other sectors.*

Sectors	Indirectly created jobs
Natural resource industries	8,500
Transportation, construction, utilities	5,700
Non-ag manufacturing	750
Retail and wholesale trade	10,700
Service industry	35,000
Government and misc.	6,800
Other	20,550
<b>Total</b>	<b>88,000</b>



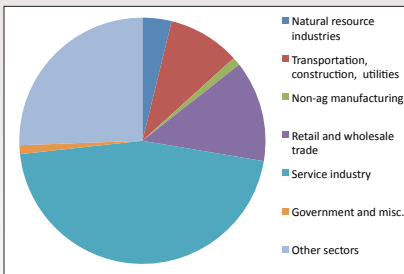
Source: Author calculations using IMPLAN 2012 data

# Indirect Contribution of Agribusiness to Value Added

Other sectors of Idaho's economy gain \$5.7 billion in value added thanks to Idaho's agribusinesses.

## *Agribusiness's contributions to value added in other sectors of the economy.*

Sectors	Indirect value added
Natural resource industries	\$218 million
Transportation, construction, utilities	\$540 million
Non-ag manufacturing	\$62 million
Retail and wholesale trade	\$756 million
Service industry	\$2.6 billion
Government and misc.	\$66 million
Other	\$1.5 billion
<b>Total</b>	<b>\$5.7 billion</b>



Source: Author calculations using IMPLAN 2012 data

# Idaho's Top Agribusiness Counties

*Top agribusiness counties, by percent of total sales across all sectors of the county economy that are attributable to agribusiness, 2012.*

County	Agribusiness sales in county	Percent of total sales in county
Gooding	\$1,782,810,438	83.56%
Lincoln	\$369,041,497	66.89%
Minidoka	\$1,168,901,750	64.51%
Jerome	\$1,450,727,545	61.69%
Owyhee	\$492,251,519	59.91%
Power	\$572,368,321	56.95%
Jefferson	\$920,932,183	56.77%
Cassia	\$1,275,729,197	53.07%
Clark	\$68,885,656	51.59%
Oneida	\$108,893,299	46.75%
Bingham	\$1,515,766,419	45.93%
Twin Falls	\$2,469,346,172	38.54%
Payette	\$511,847,120	33.39%
Elmore	\$603,114,959	32.95%
Washington	\$226,939,763	30.32%
Franklin	\$186,756,513	29.73%
Fremont	\$157,737,213	29.37%
Lewis	\$83,199,026	27.57%
Canyon	\$2,886,309,734	27.33%
Teton	\$123,799,081	24.29%
Madison	\$443,063,354	20.45%
Lemhi	\$86,556,657	19.31%
Bear Lake	\$67,493,440	17.84%

## Top agribusiness counties, continued.

County	Agribusiness sales in county	Percent of total sales in county
Idaho	\$160,435,230	16.71%
Camas	\$35,339,525	16.37%
Custer	\$71,435,075	15.49%
Boundary	\$85,203,893	13.72%
Adams	\$27,656,097	13.68%
Gem	\$87,151,685	12.56%
Bonneville	\$856,244,829	11.43%
Bonner	\$291,648,684	10.70%
Caribou	\$141,640,777	9.84%
Bannock	\$474,021,012	9.10%
Benewah	\$49,076,262	8.85%
Latah	\$152,445,747	8.22%
Boise	\$16,176,096	6.78%
Blaine	\$128,660,701	6.16%
Clearwater	\$22,838,201	4.87%
Butte	\$90,436,582	4.17%
Ada	\$1,386,673,567	3.25%
Valley	\$14,735,878	2.38%
Kootenai	\$161,406,831	1.83%
Nez Perce	\$44,379,727	1.23%
Shoshone	\$8,920,773	0.82%





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