

## Idaho Livestock and Crop Revenues

### Cattle and Calves

In 2022, revenue from cattle and calves is estimated at \$1.9 billion. Most of this increase is attributed to higher beef cattle prices. While USDA National Agricultural Statistics Service reports that the Idaho beef cow inventory was up 7% on January 1, 2022 (498,000), relative to January 1, 2021 (464,000), the US beef industry as a whole experienced heavy culling in 2022 and it is expected that the January 1, 2023, numbers will be near where they were at the start of 2021.

### Milk

Extremely strong milk prices led to increased milk revenues of \$4.2 billion in 2022, up from \$3 billion in 2021. Production volumes were up over 1% in 2022 compared to 2021. Milk cow inventories in Idaho as of January 1, 2022, were 652,000, which is a 1% increase compared to 2021. Prices ranged from \$23/cwt to \$27/cwt throughout 2022 on average, a 36% increase over 2021.

### Other Livestock

Revenues for other livestock (e.g., trout, sheep, goats) were estimated at \$196 million, a 6% decrease from 2021. This level of revenue is lower than the previous 10-year-average value of \$220 million. The year-over-year decline is primarily attributed to an over-50% decline in lamb values as compared to 2021. Other livestock was the only commodity to decline.

### Barley

Idaho barley production in 2022 was up by an estimated 15.4 million bushels (35%) relative to 2021. An 8% increase in harvested acres and a 25% increase in per-acre yields both contributed to the production increase. This, paired with a 29% increase in prices, contributed to 10-year-high barley gross revenues. Barley cash receipts are estimated at \$356 million, 32% higher than 2021.

### Hay

As measured by sales, hay surpassed wheat in 2022 to become Idaho's second-most-valuable crop behind potatoes. Hay cash receipts for 2022 are projected to be \$725 million, up 39% from 2021. Approximately 45% of the hay produced in Idaho is fed on the farms where it was produced rather than sold. Thus, the total value of hay production is estimated at \$1.3 billion in 2022. Idaho hay production in 2022 was an estimated 5 billion tons, which is 9% higher than what was produced in 2021.

### Potatoes

With 2022 revenues estimated to be \$1.3 billion, a 36% increase over 2021, potatoes remain Idaho's largest farm cash receipts. Planted and harvested acres of 295 million were down 6% from 2021. In addition, yields came in lower than expected at 410 cwt/acre, which is down 10 cwt/acre from 2021 yields and down 40 cwt/acre from 2020 yields. This resulted in an estimated production of 121 million cwt, a 9% year-over-year decline in production, ultimately leading to extremely high open-market potato prices in the back half of 2022. These higher prices in the last months of 2022 explain the increase in potato cash receipts for 2022 relative to 2021.

### Sugar Beets

Sugar beet yields for 2022 were marginally below those in 2021 due primarily to high heat and poor water conditions during the 2022 growing season. Sugar beet yields in 2022 averaged 39 tons/acre, down from 39.5 tons/acre in 2021. Sugar beet production for 2022 is projected to be 6.6 million tons. Harvested acres were steady at 172,000 acres in 2022. Idaho's projected 2022 average sugar beet price of \$58/cwt is over 8% higher than the \$54/cwt average received in 2021. Sugar beet revenues are estimated to be \$385 million; 6.6% higher than the record set in 2021.

### Wheat

Wheat was Idaho's third-largest crop by revenue in 2022. Wheat revenues for 2022 are expected to be \$706 million, up \$80 million (a 13% increase) over 2021. While harvested acres were down 5% to 1.077 million acres, yields increased 28% year-over-year to 87 bu/acre, leading to an overall 22% production increase of 93.5 million bushels. Geopolitical tensions and drought in many wheat production regions contributed to a \$1.90/bu (30%) increase in the average price received for Idaho wheat as compared to 2021.

## Idaho Net Farm Income (\$ millions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022F	Change ('21-'22)
<b>REVENUES</b>											
Crop Production	3,495	3,299	2,890	2,950	2,959	3,147	3,247	3,330	3,638	4,693	29%
Livestock Production	4,639	5,492	4,574	4,280	4,374	4,324	4,792	4,744	4,939	6,348	29%
Farm-Related Income	642	571	617	539	658	600	558	797	724	894	24%
Government Payments	129	83	86	130	162	157	165	820	291	185	-36%
Home Consumption	17	14	16	14	16	14	17	16	20	21	2%
Inventory Adjustment	(164)	(65)	237	20	(16)	107	(47)	92	(251)	(251)	0%
<b>TOTAL REVENUES</b>	<b>8,758</b>	<b>9,395</b>	<b>8,420</b>	<b>7,933</b>	<b>8,153</b>	<b>8,348</b>	<b>8,731</b>	<b>9,800</b>	<b>9,361</b>	<b>11,890</b>	<b>27%</b>
<b>EXPENSES</b>											
Farm-Origin Inputs	2,128	2,537	2,161	1,710	1,994	2,025	2,114	2,244	2,266	2,570	13%
Manufactured Inputs	1,302	1,313	1,179	1,067	1,173	1,135	1,019	1,244	1,494	2,099	40%
Other Inputs	1,272	1,335	1,237	1,281	1,425	1,271	1,227	1,470	1,427	1,639	15%
Contract Labor	59	70	51	78	67	59	74	76	62	63	2%
Property Taxes and Fees	137	167	142	132	135	128	142	146	176	194	10%
Capital Consumption	512	658	587	612	558	482	446	451	397	440	11%
Payments to Stakeholders	1,315	1,294	1,160	1,249	1,500	1,488	1,181	1,599	1,639	1,918	17%
<b>TOTAL EXPENSES</b>	<b>6,726</b>	<b>7,374</b>	<b>6,517</b>	<b>6,129</b>	<b>6,851</b>	<b>6,588</b>	<b>6,202</b>	<b>7,230</b>	<b>7,460</b>	<b>8,922</b>	<b>20%</b>
<b>NET FARM INCOME</b>	<b>2,032</b>	<b>2,020</b>	<b>1,903</b>	<b>1,805</b>	<b>1,302</b>	<b>1,760</b>	<b>2,528</b>	<b>2,570</b>	<b>1,901</b>	<b>2,968</b>	<b>56%</b>
<b>Year-to-Year Change</b>	<b>74%</b>	<b>-1%</b>	<b>-6%</b>	<b>-5%</b>	<b>-28%</b>	<b>35%</b>	<b>44%</b>	<b>2%</b>	<b>-26%</b>	<b>56%</b>	

SOURCES: 2013–21: Economic Research Service/USDA. 2022: Forecasted by G. Taylor and B. Wilder, University of Idaho. NOTE: Some data for 2021 are preliminary and all 2022 data are preliminary.

## Idaho Cash Receipts from Farm Marketings (\$ millions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022F	Change ('21-'22)
<b>LIVESTOCK</b>											
Cattle and Calves	1,849	2,044	1,959	1,715	1,647	1,726	1,741	1,583	1,668	1,926	16%
Milk	2,573	3,198	2,352	2,356	2,511	2,373	2,854	2,979	3,062	4,226	38%
Other Livestock	217	251	263	210	215	225	196	183	208	196	-6%
<b>TOTAL LIVESTOCK</b>	<b>4,639</b>	<b>5,492</b>	<b>4,574</b>	<b>4,280</b>	<b>4,374</b>	<b>4,324</b>	<b>4,792</b>	<b>4,744</b>	<b>4,939</b>	<b>6,348</b>	<b>29%</b>
<b>CROPS</b>											
Barley	326	295	267	268	237	216	249	238	271	357	32%
Hay	544	551	440	354	380	423	468	460	521	725	39%
Potatoes	932	923	871	869	905	930	954	930	949	1,290	36%
Sugar Beets	296	254	284	301	290	276	312	340	361	385	7%
Wheat	674	647	367	445	420	522	448	543	626	706	13%
Other Crops	722	630	661	713	727	780	817	818	911	1,230	35%
<b>TOTAL CROPS</b>	<b>3,495</b>	<b>3,299</b>	<b>2,890</b>	<b>2,950</b>	<b>2,959</b>	<b>3,147</b>	<b>3,247</b>	<b>3,330</b>	<b>3,638</b>	<b>4,693</b>	<b>29%</b>
<b>TOTAL CASH RECEIPTS</b>	<b>8,134</b>	<b>8,791</b>	<b>7,464</b>	<b>7,230</b>	<b>7,332</b>	<b>7,471</b>	<b>8,038</b>	<b>8,074</b>	<b>8,577</b>	<b>11,041</b>	<b>29%</b>
<b>Year-to-Year Change</b>	<b>7.0%</b>	<b>8.1%</b>	<b>-15.1%</b>	<b>-3.1%</b>	<b>1.4%</b>	<b>1.9%</b>	<b>7.6%</b>	<b>0.4%</b>	<b>6.2%</b>	<b>28.7%</b>	

SOURCES: 2013–21: Economic Research Service/USDA. 2022: Forecasted by G. Taylor and B. Wilder, University of Idaho. NOTE: Some data for 2021 are preliminary and all 2022 data are preliminary.

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# The Financial Condition of Idaho Agriculture: 2022

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## Idaho farm gate cash receipts and net farm income reached record highs in 2022. High prices contributed to record receipts for all major crops and livestock groups.

Cash receipts for livestock and crops in 2022 are estimated at \$11 billion, an estimated 29% increase over 2021. Cash receipts for milk, Idaho's leading agricultural commodity, were estimated to be 38% higher than 2021. Potatoes, Idaho's highest revenue crop, were estimated to be 36% higher than 2021.

Net farm income, for 2022, was estimated to be \$3 billion, 56% higher than 2021, a new record all-time high real net income for Idaho agricultural commodities. At close to \$9 billion, estimated expenses also reached a record high, up 20% over 2021. Fortunately, commodity price increases are expected to outweigh cost increases in 2022.

### Highlights:

- Exports from farms and food processors created a ripple effect throughout Idaho's economy, ultimately helping to make agribusiness one of Idaho's largest industries. About one of every six dollars in sales is directly or indirectly created by agribusiness.
- Idaho, the top potato producer, witnessed record high potato revenues in 2022, which led to estimated cash receipts nearing \$1.3 billion.
- Hay surpassed wheat to become Idaho's number two crop with estimated 2022 cash receipts of \$725 million. Wheat had a strong showing as the third-largest crop with an estimated \$706 million in 2022 cash receipts.
- Idaho, ranking third in the United States for milk production, garnered its highest-ever milk revenues in 2022. With estimated cash receipts for 2022 of \$4.2 billion, revenues from milk production are the highest of all agricultural commodities produced in Idaho. Second to milk regarding cash receipts are those from cattle and calves, which in 2022 were \$1.9 billion.
- Idaho agriculture is driven largely by livestock. Cash receipts from milk, cattle and calves, and other livestock (trout, sheep, etc.) comprised 57% of total agricultural cash receipts for 2022. Hay, silage, feed grains, and the by-products from sugar beet and potato processing are used as feed for Idaho livestock.
- Except for 2009 — a year of disastrously poor milk prices — livestock cash receipts have surpassed crop cash receipts for every year since 2001. In 2022, livestock cash receipts are estimated to surpass crop cash receipts by more than \$1.65 billion.
- Idaho's net farm income for 2022 is estimated at \$3 billion, which is 56% above that of 2021 and the highest in recorded history.
- Federal government payments to Idaho producers in fiscal year 2022 are estimated at \$185 million, a decrease of 36% from 2021.

## Contribution of Agribusiness to Idaho's Economy

Agribusiness is a vertically integrated industry comprising food production and processing. In providing food to national and international markets, agribusiness creates business sales and jobs throughout the Idaho economy and contributes to the state's gross domestic product (GDP). Agribusiness export dollars ripple throughout Idaho's economy, creating (directly and indirectly)

- 17% of Idaho's total economic output
- 12% or 1 in every 8 jobs in the state
- 12.5% of Idaho GDP

## Idaho Farm Cash Receipts

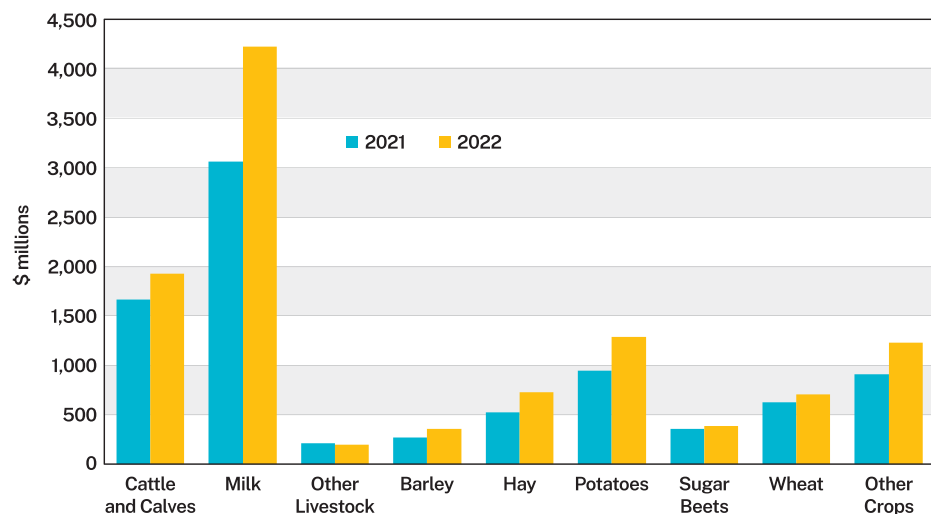
Idaho's 2022 farm cash receipts are estimated to a record high of \$11 billion—a 28% increase over 2021's \$8.6 billion and exceeding the previous record high of \$8.8 billion from 2014.

Crop revenues in 2022 are estimated at \$4.7 billion, up 29% from 2021's \$3.6 billion and 39% greater than the 10-year average. Hay (up 39%), potatoes (up 36%), other crops (up 35%), and barley (up 32%) had the largest increases in cash receipts relative to 2021. Wheat and sugar beet cash receipts were up 13% and 7%, respectively. All major crops are expected to see increased cash receipts. Potato receipts recorded an all-time high with open-market potatoes selling for as much as 150% over estimated contracted potato prices at times during the year.

Livestock revenues are estimated at \$6.3 billion, up 29% over 2021 and 31% greater than the previous 10-year average. Cash receipts from cattle and calves are estimated at \$1.9 billion (up 16%) while receipts from other livestock are estimated to be approximately 200 million (down 6%). Milk receipts are the largest driver of growth in this category with projected 2022 cash receipts of \$4.2 billion (up 38%).

In real dollars (inflation-adjusted to 2012), estimated cash receipts are 61% greater than the 43-year (1980–2022) average. Extreme volatility in commodity prices over the past decade has increased agricultural revenue volatility to levels not seen since the 1970s and 1980s.

Idaho Farm Cash Receipts, 2021 and 2022



Sources: USDA Economic Research Service, USDA National Agricultural Statistics Service, and UI projections.

## Idaho Net Farm Income

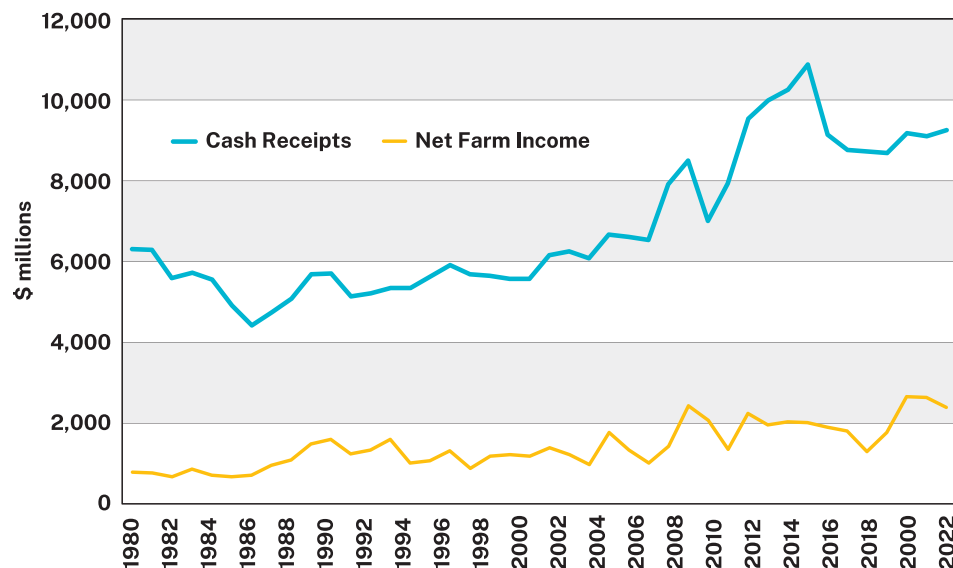
Net farm income, revenues minus costs, is the farmer's bottom line. Revenues include cash receipts from crop and livestock sales, inventory changes, the estimated value of home consumption, government payments, machine hire and custom work, forest product sales, and the imputed rental value of farm dwellings. Farm expenses include farm-origin inputs (purchased livestock, feed, and seed), manufactured inputs (fertilizers, fuel, and electricity), and other inputs, including repairs and maintenance, machine hire and custom work, marketing, storage, transportation, and contract labor.

The projected 56% increase in 2022 Idaho net farm income reflects a 27% increase in total revenues and a 20% increase in total expenses. Net farm income in 2022 is estimated at an all-time high of \$3 billion, which is 43% greater than the 10-year average. In contrast, the United States Department of Agriculture's (USDA) US net farm income estimate for 2022 is \$161 billion, up 14% from 2021.

Historically, net farm income is much more volatile than gross cash receipts. In five of the past six years, Idaho experienced double-digit percentage swings in net farm income. Real-dollar Idaho net farm income (inflation-adjusted to 2012) was the highest value in recorded history, with the next highest being in 2011 (\$2.94 billion). Idaho's real net farm income in 2022 is estimated at 62% above the previous 43-year average (1980–2022).

The overall increase in farm expenses in 2022 is primarily attributed to 40% increases in manufactured (fertilizer, chemicals, and fuel) inputs, 17% increases in payments to stakeholders (noncash compensation, net rents, and interest expense), and 13% increases in farm-origin (feed, seed, and replacement livestock purchases) inputs. All other inputs, including labor, property taxes and fees, and capital consumption, increased by percentages ranging from 2% to 11% relative to 2021.

Idaho Farm Cash Receipts and Net Farm Income, 1980–2022



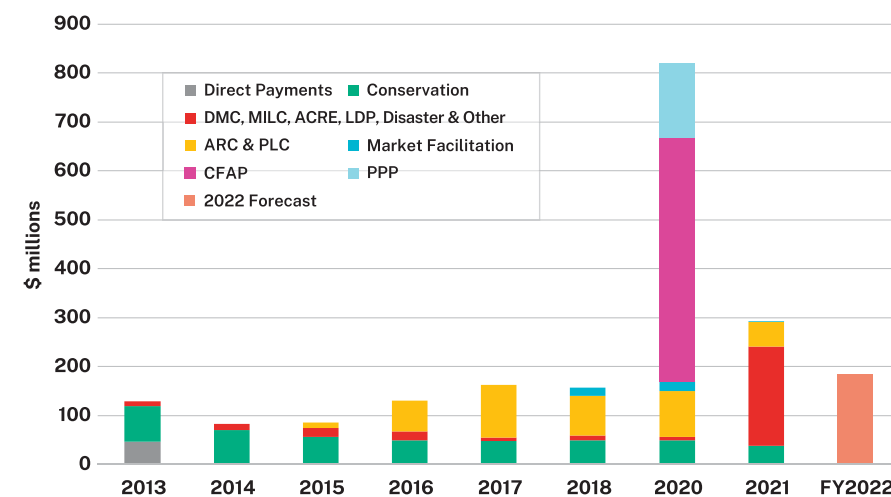
Sources: USDA Economic Research Service, USDA National Agricultural Statistics Service, and UI projections.

Note: In real dollars (2012 base).

## Idaho Government Payments

Federal government payments to Idaho agriculture in fiscal year 2022 are estimated at \$185 million, which is 36% lower than in 2021 but still 42% greater than the average of the five years leading up to 2020. The years 2020 and 2021 are excluded from that average due to COVID-19-related payments. Federal payments are expected to decline or stabilize moving forward. Idaho is estimated to have received around 1% of total 2022 payments to US agriculture.

Idaho Government Payments, 2013–22

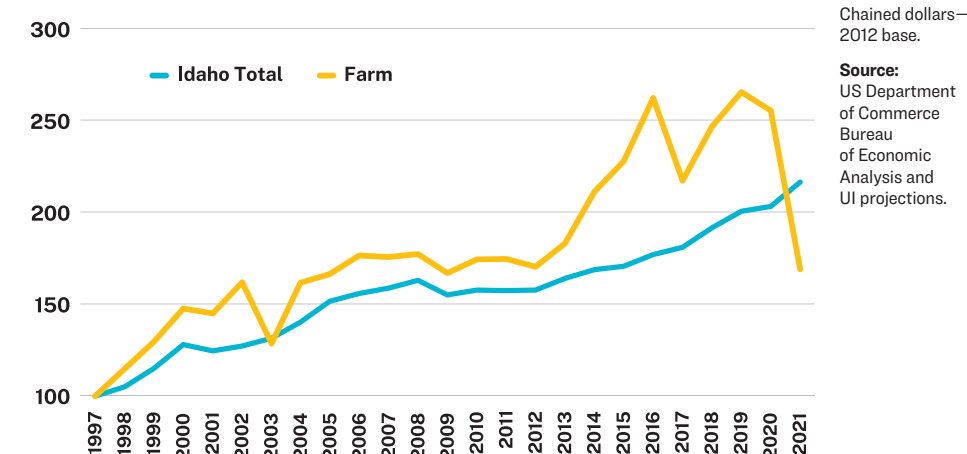


Source: USDA Economic Research Service and UI projections.

## Idaho Agriculture's Gross Domestic Product

Gross domestic product (GDP) measures value added, the value of output minus the value of intermediate goods and services used in production. GDP grows when farms and businesses become more efficient: increasing output while reducing the use of intermediate inputs. In 2021, Idaho's nominal GDP was approximately \$80 billion, of which 3.7% was generated by farming. Farm GDP in 2021 decreased 34% to \$3 billion from \$4.5 billion in 2020. It's estimated that the final 2022 Idaho Farm GDP will be back on trend and substantially exceed 2020 levels. Over the past twenty-five years (1997–2021), inflation-adjusted (2012 dollars) Idaho GDP has grown over 115%, while Idaho Farm GDP increased around 70%.

Idaho Total and Farming GDP Index (1997 = 100)



Chained dollars—2012 base.

Source: US Department of Commerce Bureau of Economic Analysis and UI projections.