



University of Idaho
Extension

Financial Condition of Idaho Agriculture; The Covid Year

JFAC Outlook Committee

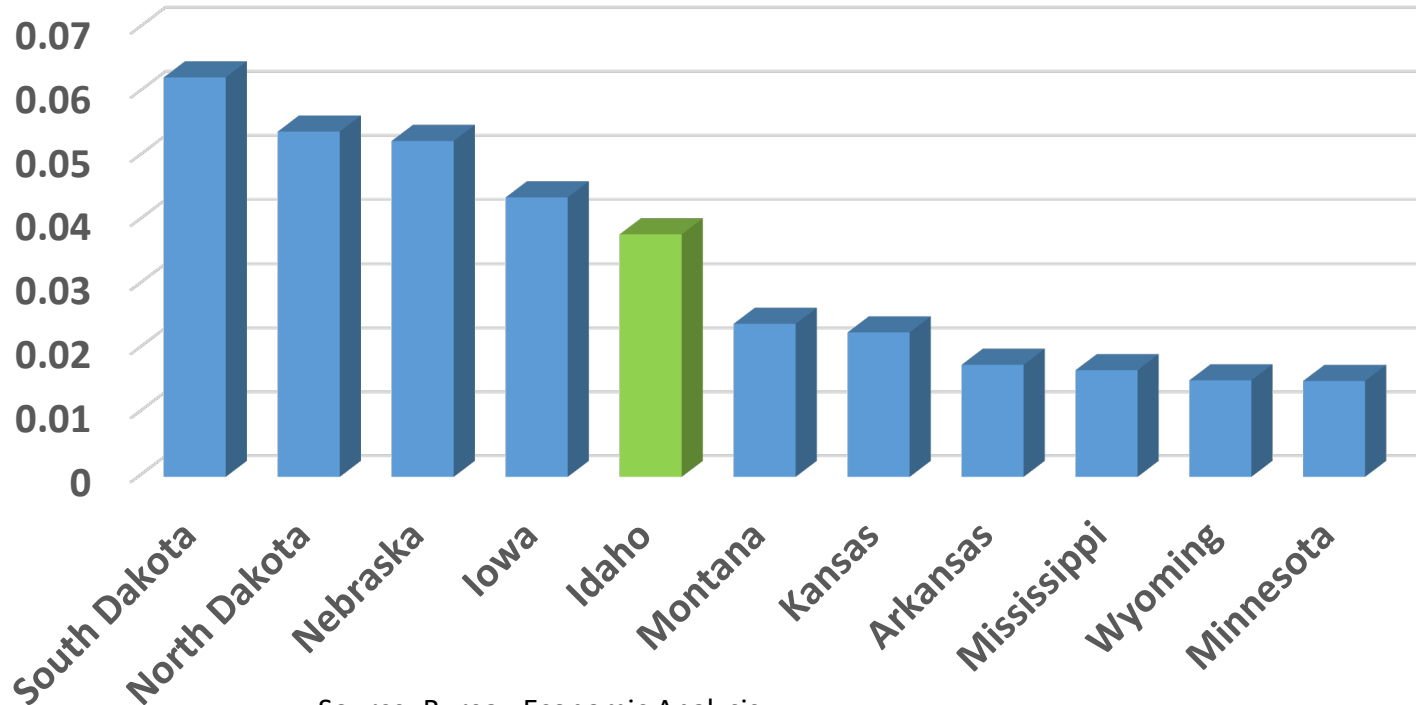
January, 2021

Rita Du, Ben Eborn, and Garth Taylor

Idaho – small economy big Ag



Farm GDP as percent of State Total GDP 2017



Source: Bureau Economic Analysis



MULTIPLIER EFFECTS...AGBIZ IDAHO'S LARGEST INDUSTRY

Exports – new dollars - drive an economy

- \$26 billion in sales, 18% of Idaho's total economic output
- 123,000 Idaho jobs, 1 in every 8 jobs in the state
- \$10 billion in value added, 13% of Idaho GDP

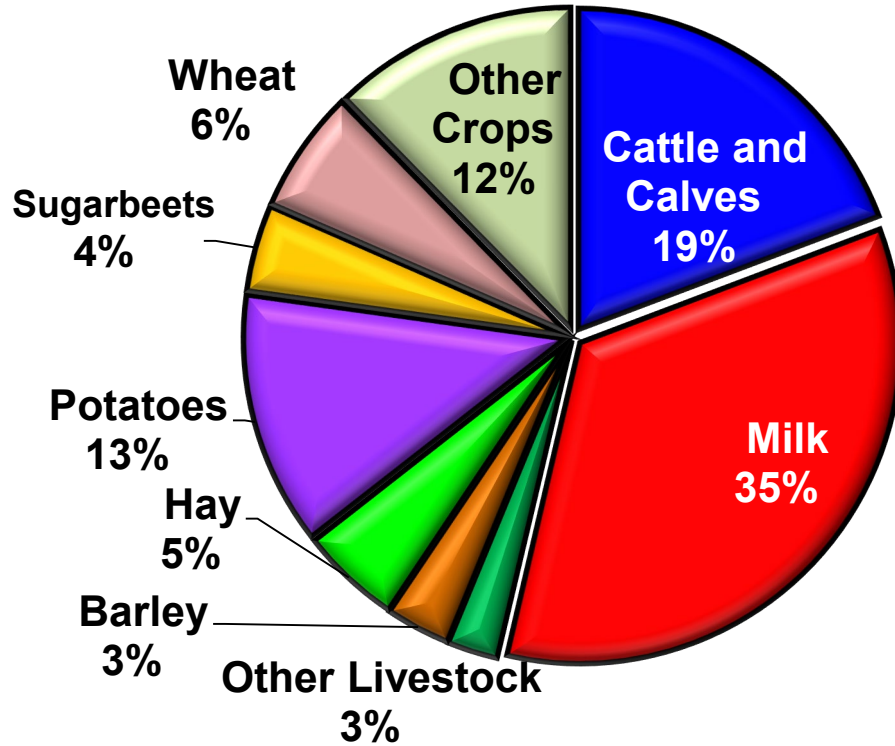
Source: Philip Watson University of Idaho



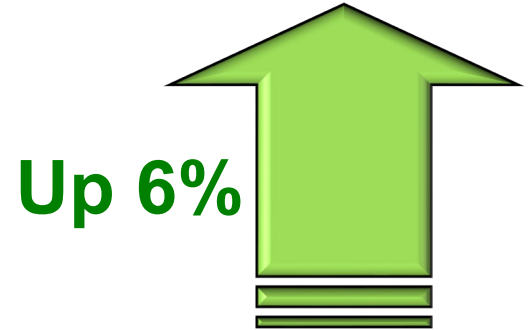
Second Highest, Up 6%



Idaho Cash Receipts, 2020



\$8.5 billion, 2020



\$8 billion, 2019



Changes in Idaho Cash Receipts from 2019

Crops \$3.7 billion, ↑15%

Livestock \$4.8 billion, ↓1%

Potatoes: ↑13%

Barley: ↑10%

Wheat: ↑17%

Sugarbeets: ↑29%

Hay: ↓9%

Cattle & Calves: ↓6%

Milk: ↑2%

Two Months That Tore Apart the Food Chain



Grocery demand skyrocketed, restaurants shut their doors and distribution became exponentially more complex, resulting in the most dramatic shift in history.

WSJ Annie Gasparro, Jaewon Kang and Stephanie Stamm April 29, 2020
[e https://www.wsj.com/articles/two-months-that-tore-apart-the-food-chain-11588174236](https://www.wsj.com/articles/two-months-that-tore-apart-the-food-chain-11588174236)



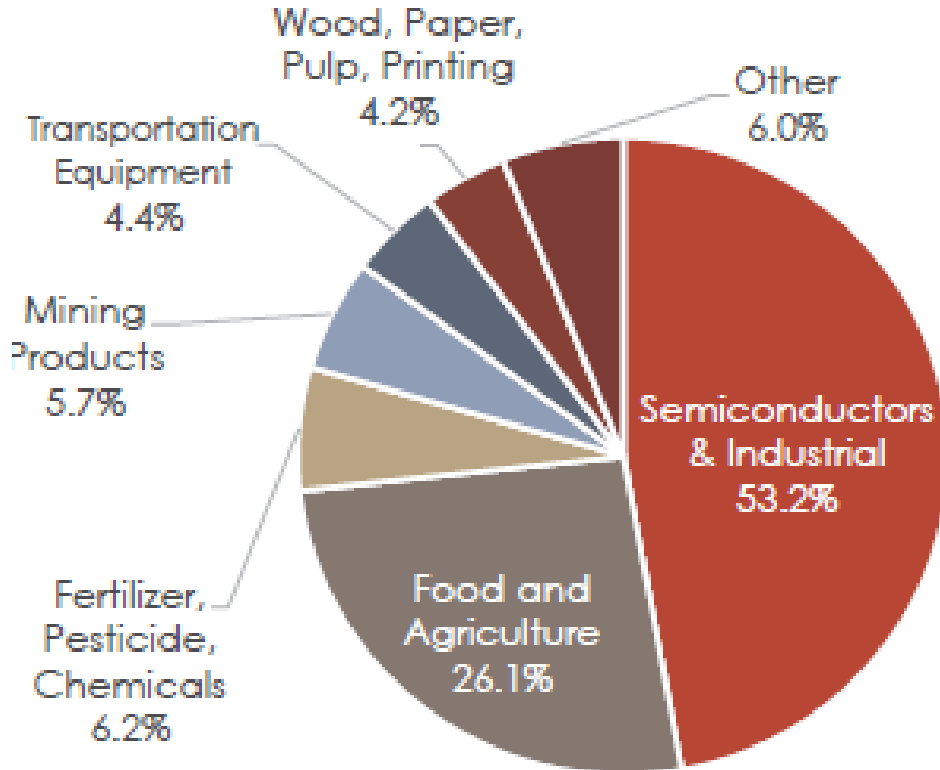
Covid-19 Shifts Demand Not Supply

- 40% of meat workers laid off
- Restaurant to home shift
- Flyrod effect; small demand shifts = large farm prices
- Thin margins = brittle supply chain
- Costco chicken supply chain saves 38 cents under \$5

Idaho Exports: Ag Over a Quarter



2019 Exports by Industry



**Ag over a quarter
2019, Idaho's total export
\$3.4 billion**

2020F Ag near record high

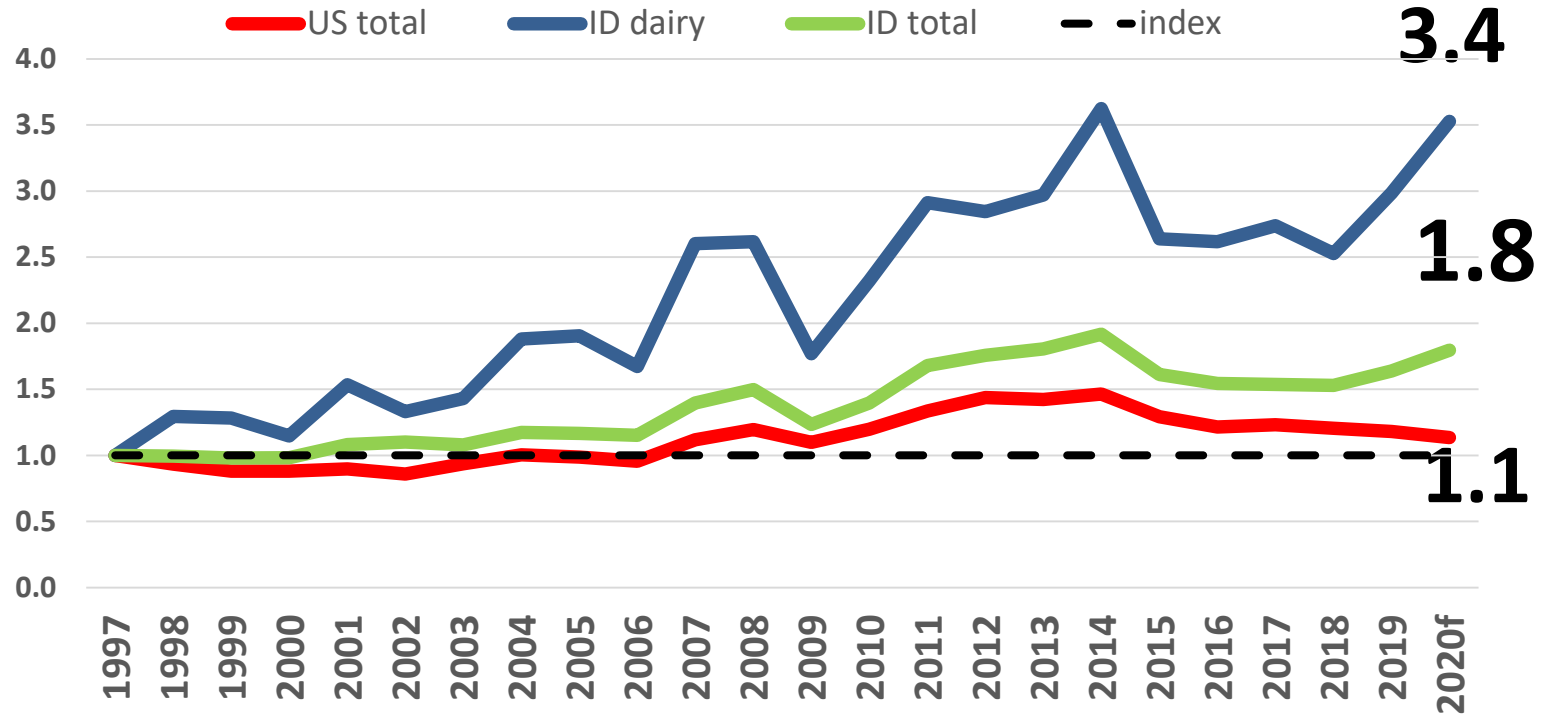
**Canada and Mexico over
half**

Dairy, potatoes, wheat



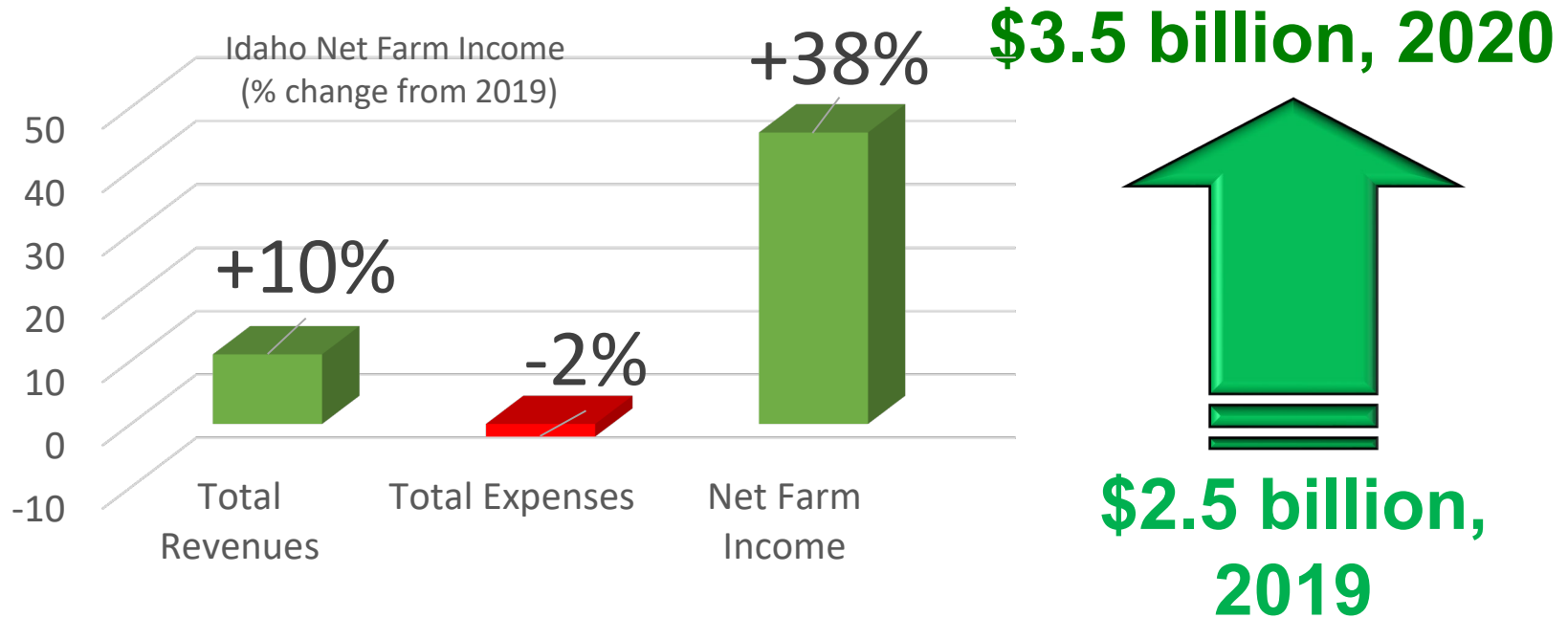
Idaho Outgrows US

Index Real Cash Receipts (2020 dollars)





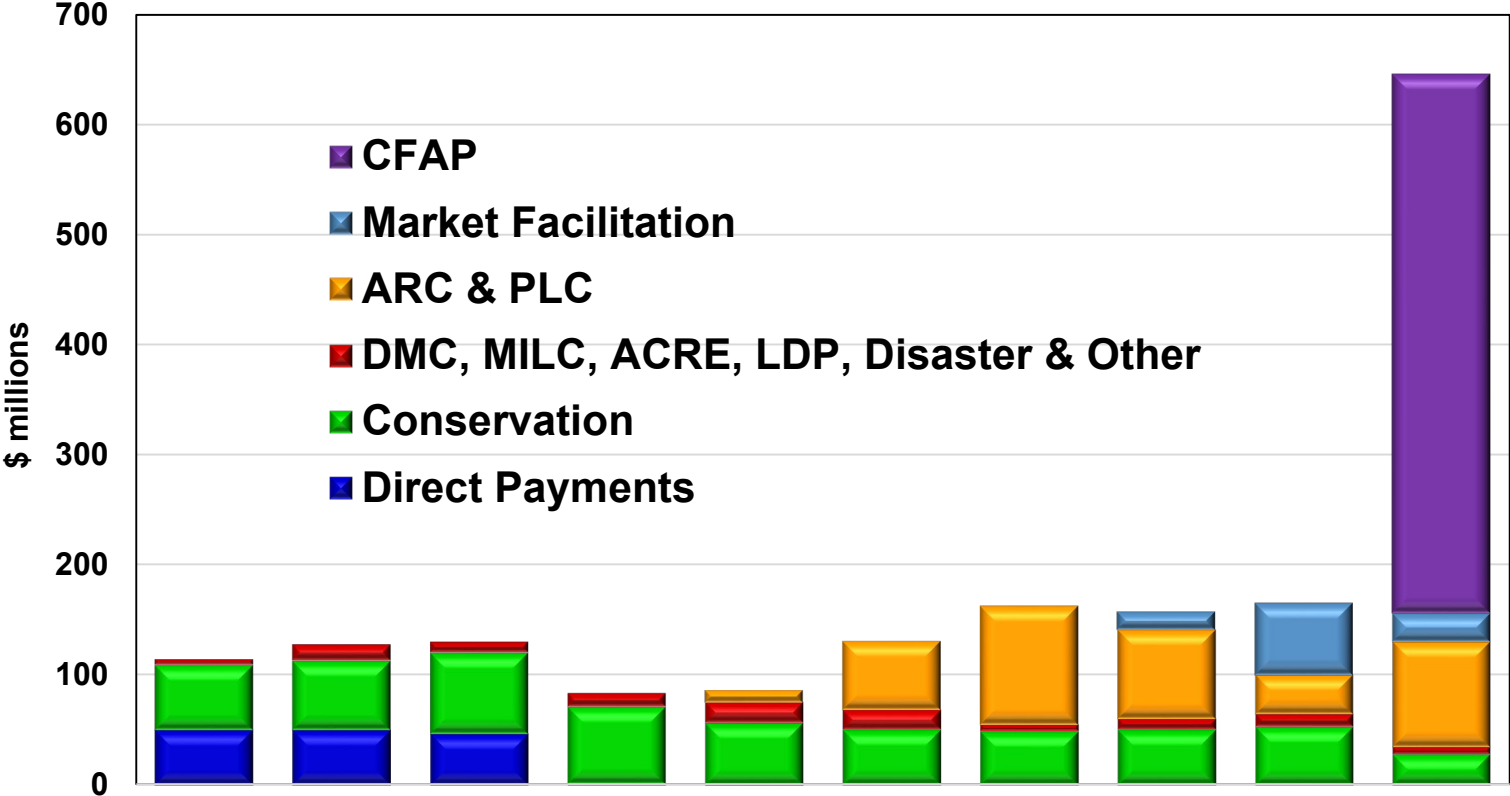
Record High Net Farm Income, up 38%... Without gvt payments a record high



2020 Government Payments Skyrocket



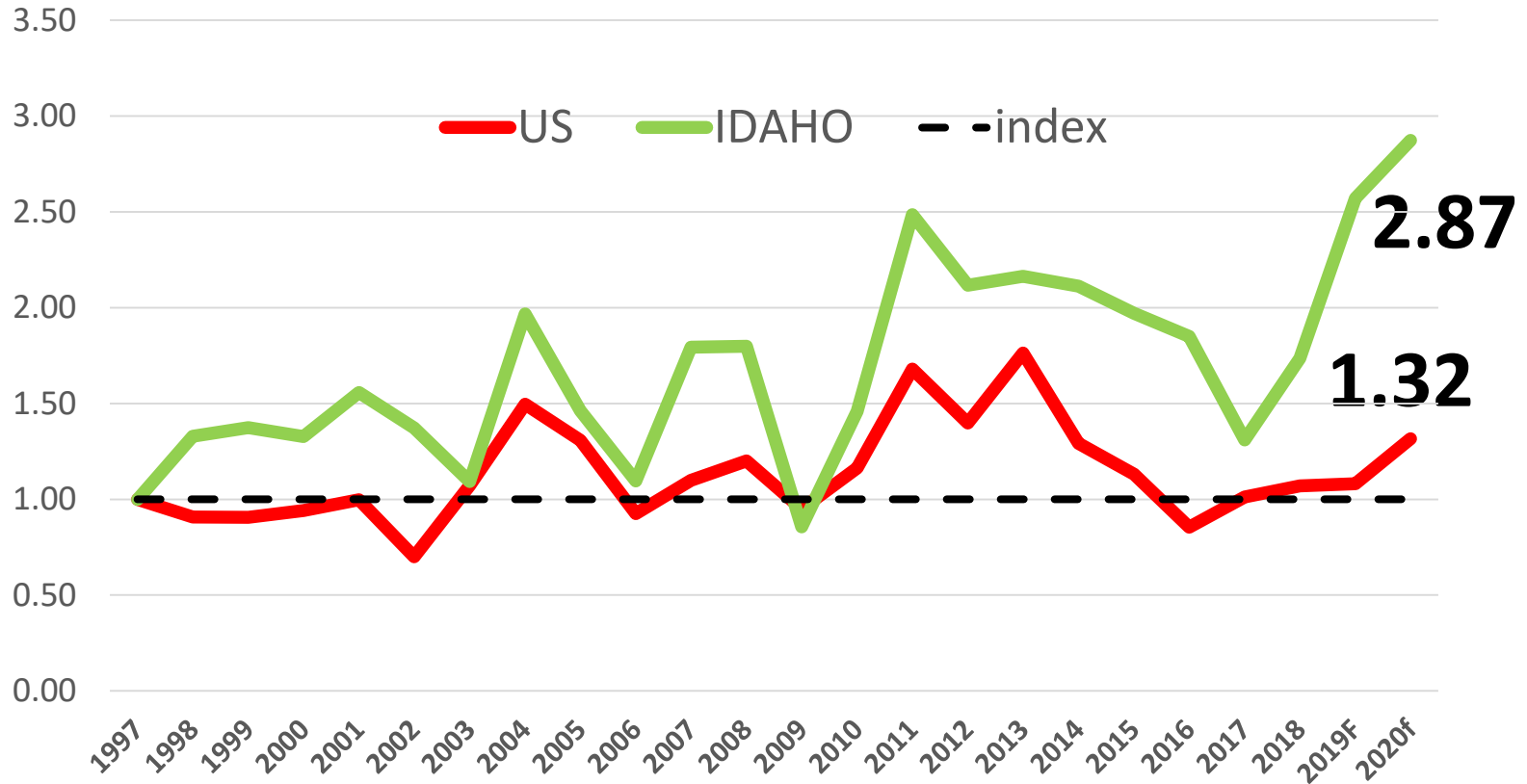
Idaho Government Payments, 2011-2020





Idaho Real Net Farm Income Grow 6X US

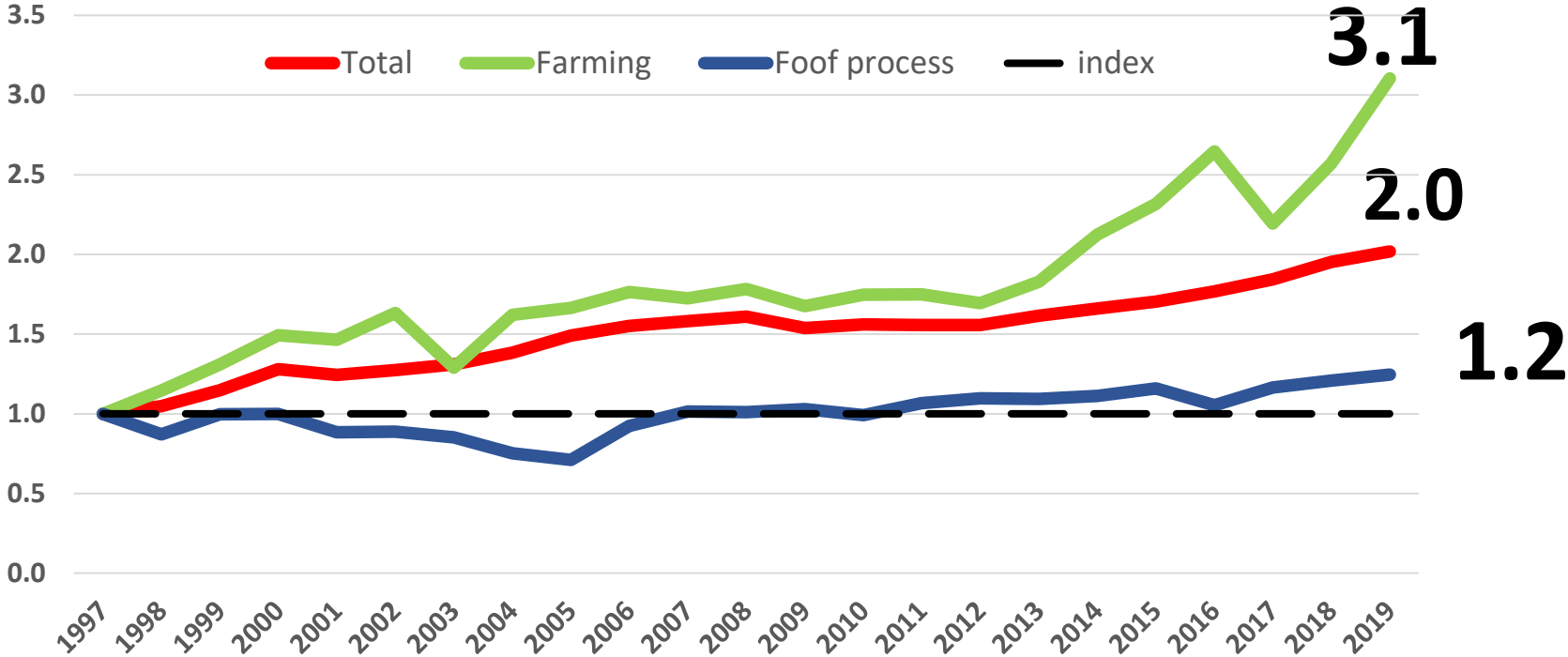
Real (2020 dollars) Net Farm Income Idaho vs US (1997=1)





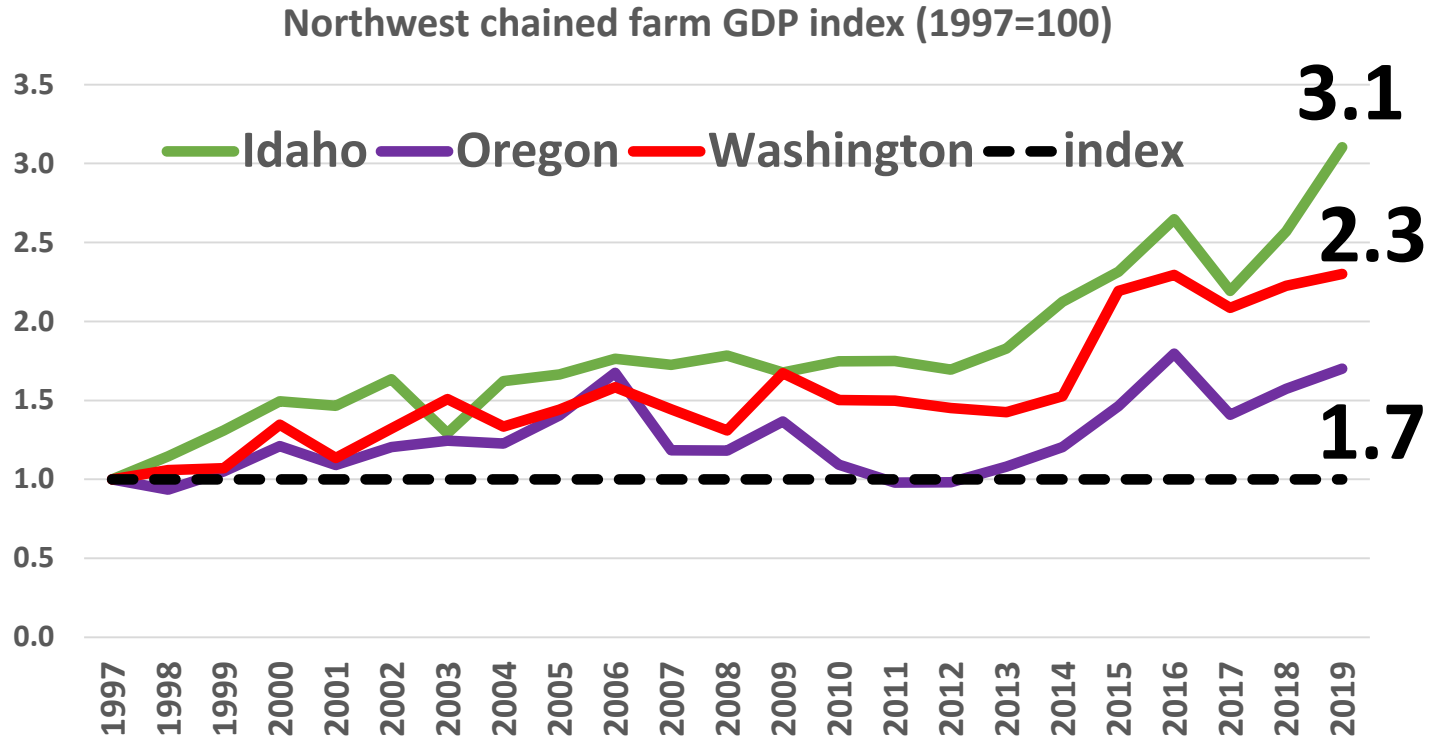
Idaho Farm GDP Grows 210%

Indexed Chained (2012) Idaho GDP (1997=1)



Source: US Dept. of Commerce, BEA

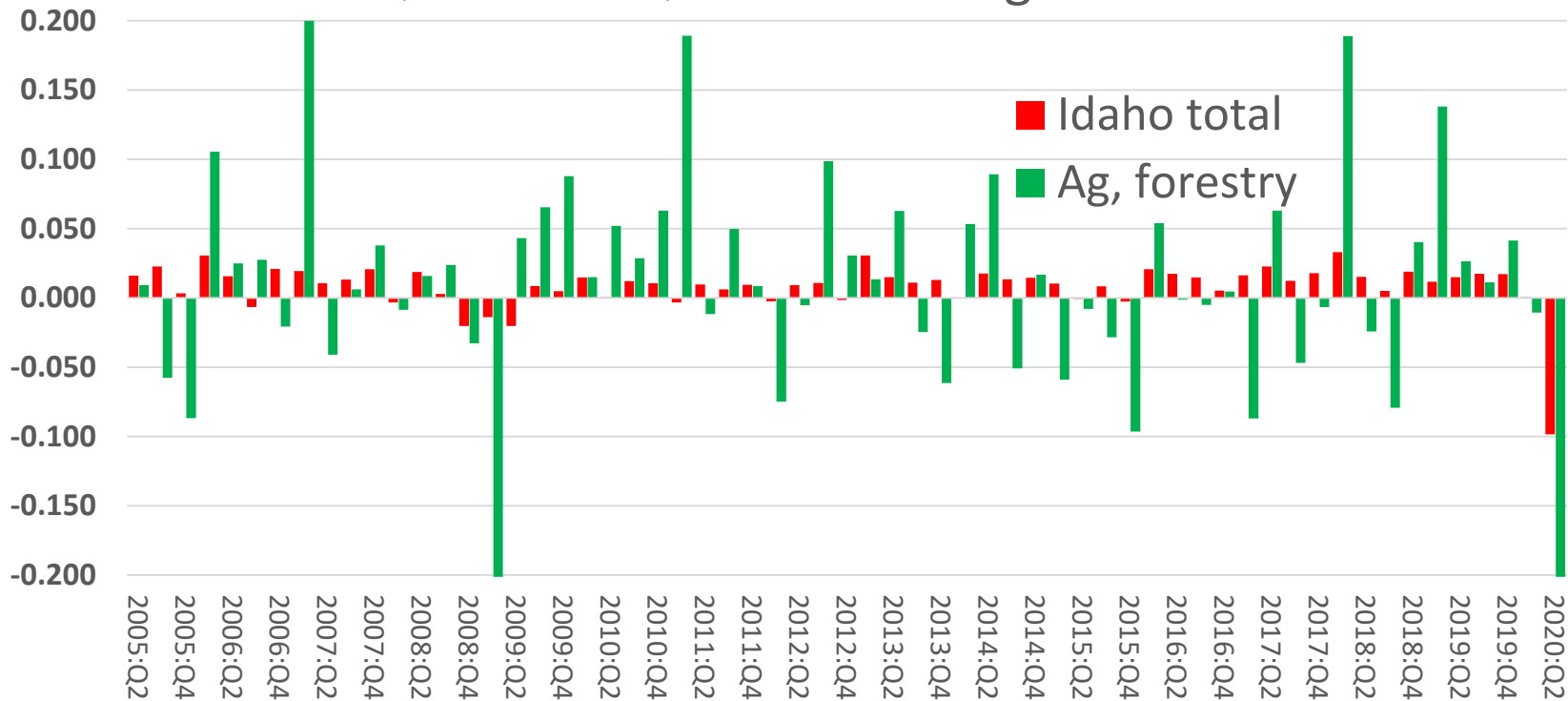
Idaho GDP Growth Leads Northwest because of dairy growth





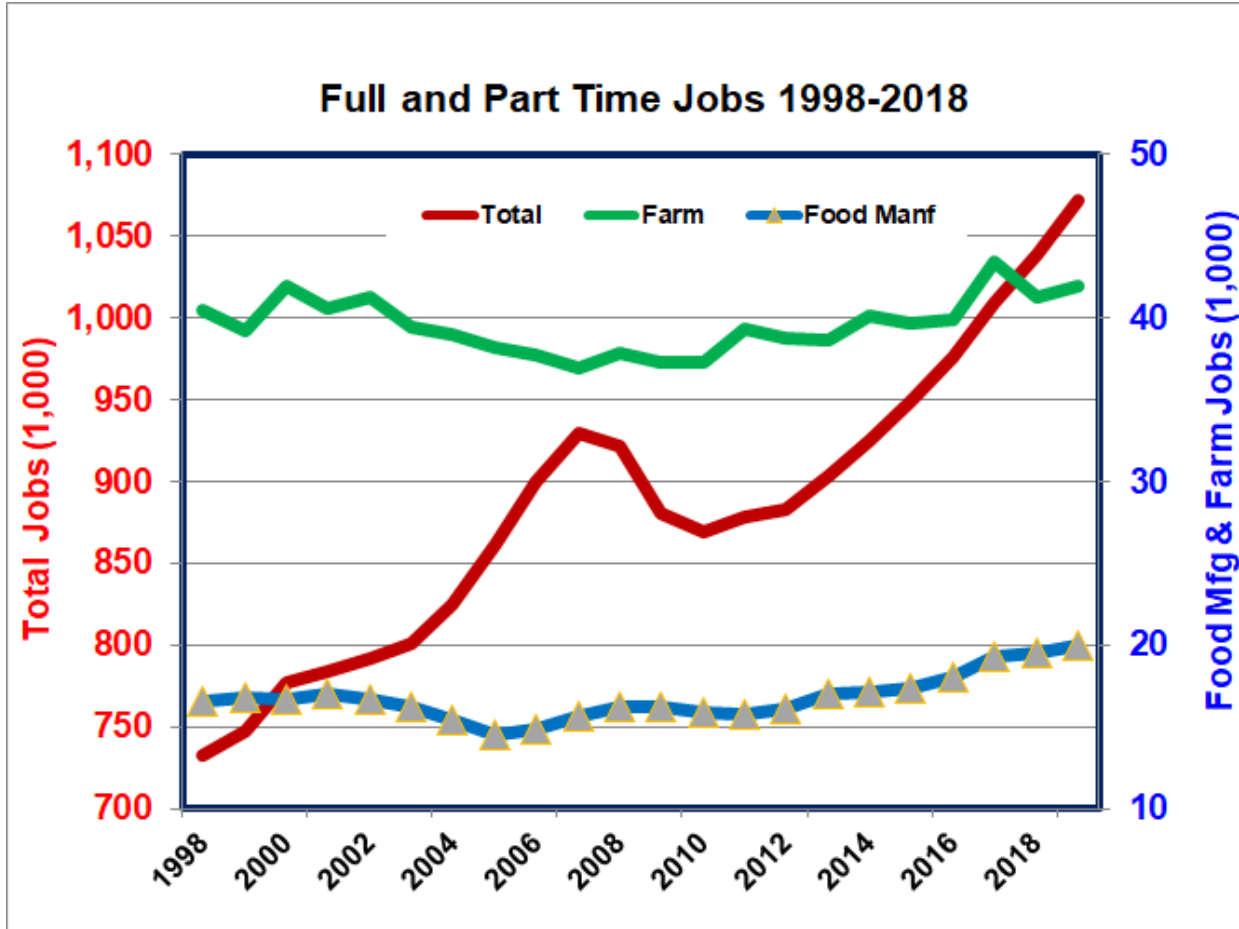
Idaho Ag is Big, Growing, and Volatile

Quarter to Quarter % Change



Source: US Dept. of Commerce, BEA

Farming & Food Processing = steady jobs



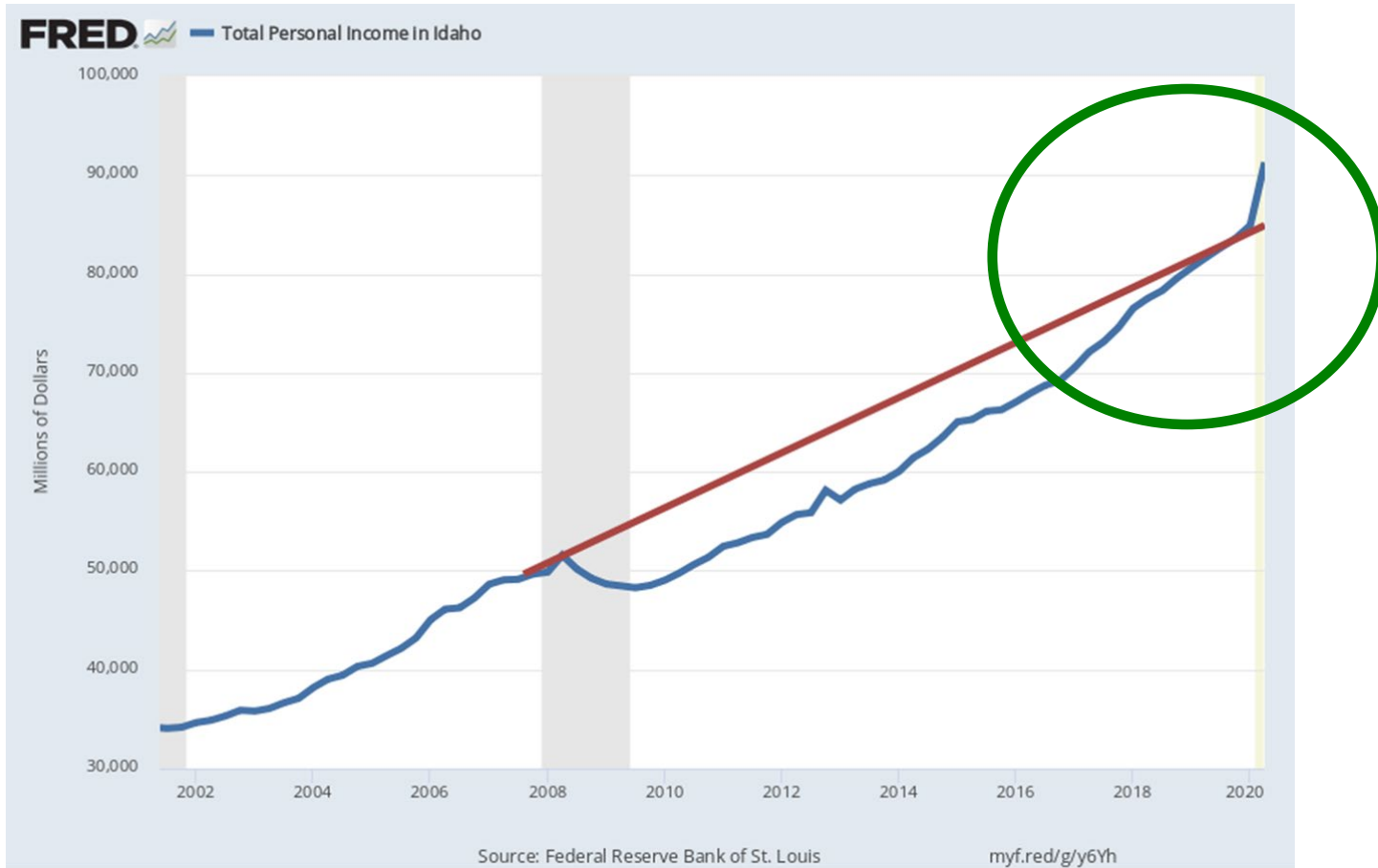
- **Total Idaho**
 - Over one million jobs
- **Farm**
 - 41,000 jobs
- **Food mfg**
 - 19,000 jobs



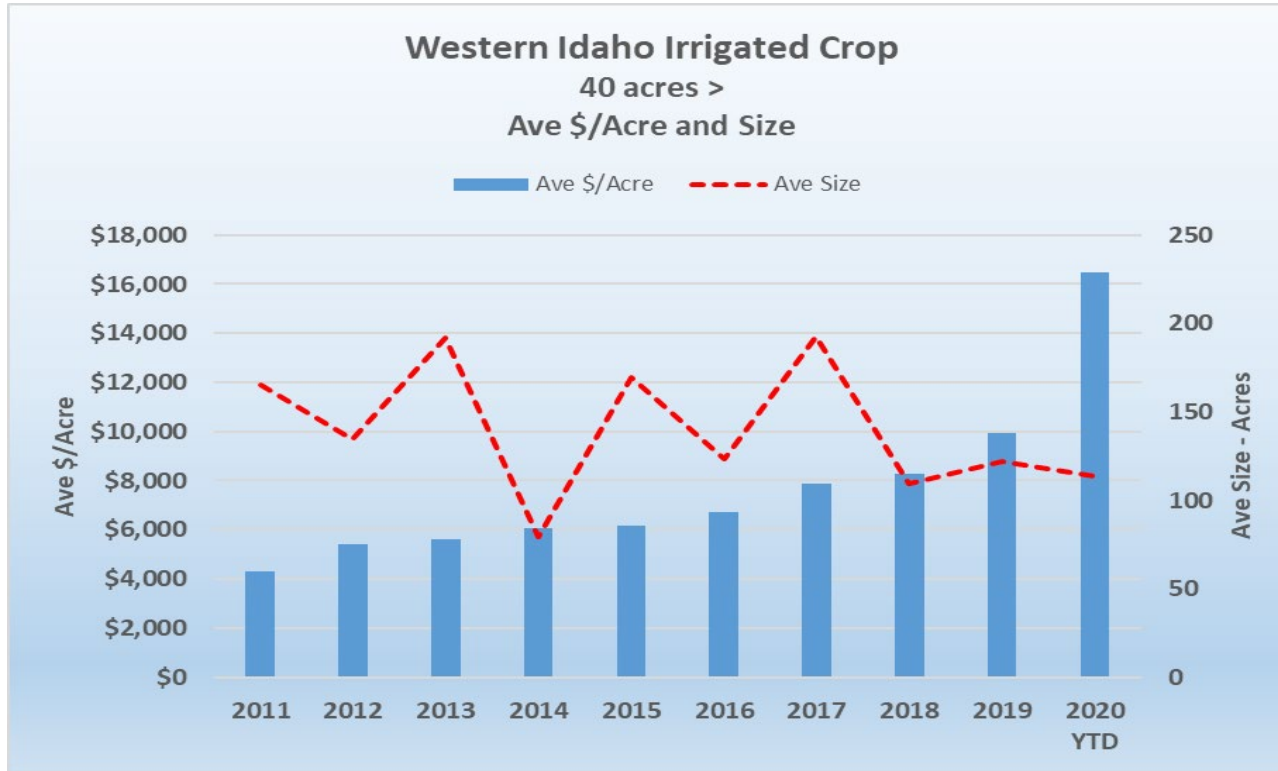
Idaho Unemployment: Lowest to Highest



Idaho personal income 2007 to 2020



\$16,000 PER ACRE AND 100 SALES



2021 OUTLOOK GOOD

- Snap back to restaurants?
- Leading indicators
 - Land prices
 - Equipment prices
- Foreign export strength



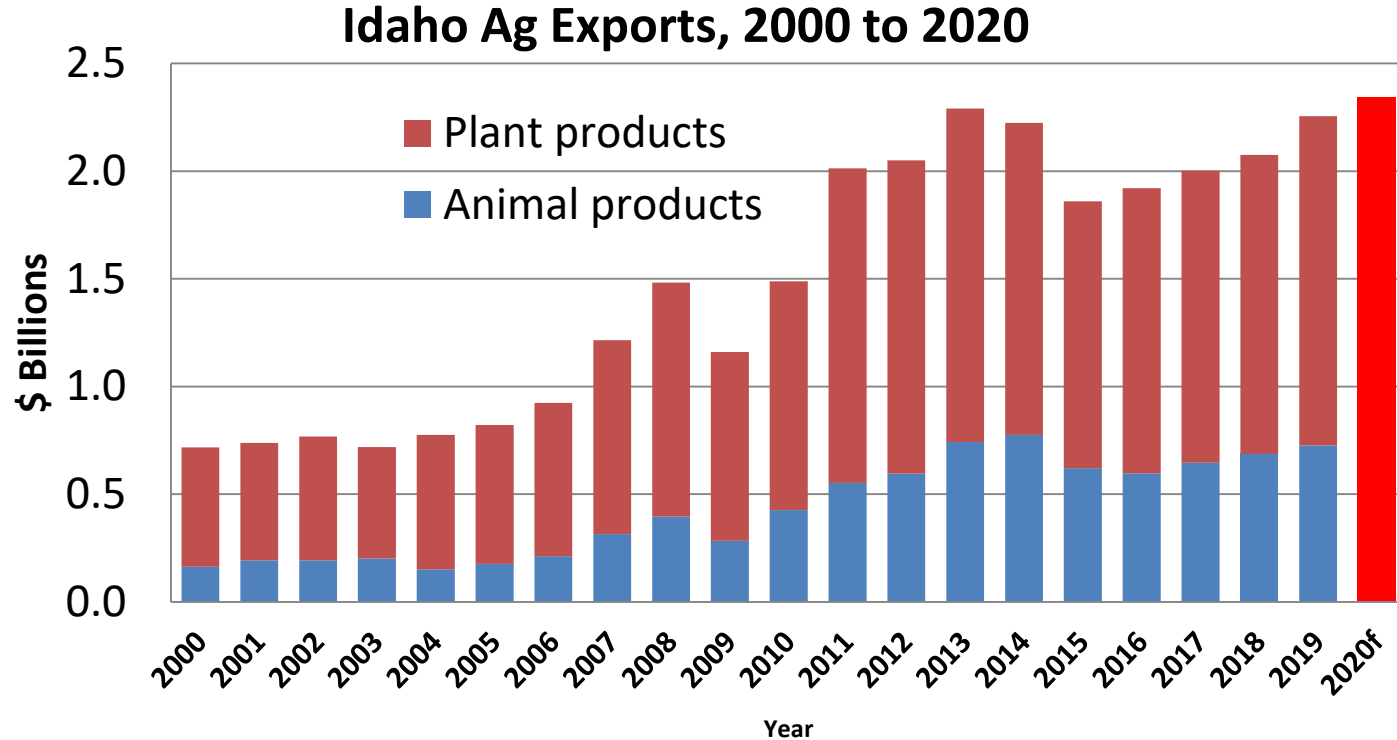
University of Idaho

College of Agricultural
and Life Sciences

QUESTIONS?

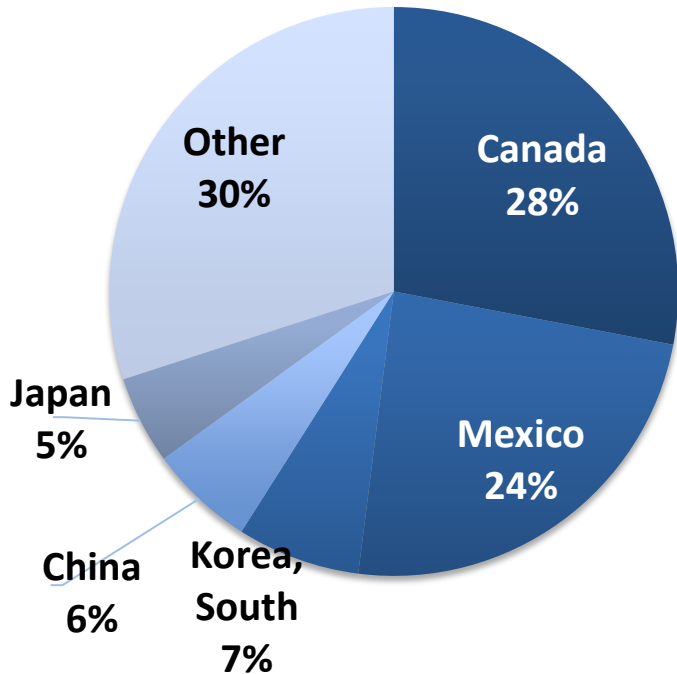


2019, IDAHO'S TOTAL EXPORT \$3.4 BILLION, AG \$899 MILLION (26%)



Idaho Ag Exports: Dairy, Potatoes and USMCA

ID Ag Exports by Country, 2019



ID Ag Exports Share, 2019

