Idaho Livestock and Crop Revenues

Cattle and Calves
Revenue from cattle and calves is estimated at $1.09 billion, down 8% from 2008. Prices averaged 10% lower throughout most of the year. The Idaho cattle and calf inventory as of January 1, 2009, was 2.11 million head, 9% lower than a year earlier. There were 451,000 beef cows on hand in January 2009, down 9% from 2008. The milk cow inventory climbed from 52,000 head in January 2008 to 55,000 head by January 2009.

Sugarbeets
Sugarbeets were Idaho’s crop superstar. Revenues from Idaho’s sugarbeets are estimated at $252 million, up 72% from 2008. Sugarbeet production is estimated to be 5.6 million tons, up 55% from 2008, and the average price for the 2009 crop was forecast to be up 11%.

Onions
Revenues in 2009 are estimated to be $95 million, 7% higher than in 2008. Field-grown sales typically account for 75% of total revenues, while Christmas trees and greenhouse-grown sales including houseplants, flowers, and seedlings account for the remainder.

Barley
Idaho barley production in 2009 decreased an estimated 3% from 2008 levels, and the average barley price is projected to be 5% higher resulting in barley revenues estimated at $259 million, 12% higher than in 2008. The state’s average yield is estimated to be 95 bushels per acre, up 9 bushels per acre from 2008.

Beans
Dry bean revenue in 2009 is estimated at $51 million, 1% lower than in 2008. Production was up an estimated 35%, but the average price is estimated to be 8% lower. Average yields of 2,000 pounds per acre are up 150 pounds per acre, and growers harvested 20,000,000 more acres.

Greenhouse/Nursery
Revenues in 2009 are estimated to be $95 million, 7% higher than in 2008. Field-grown sales typically account for 75% of total revenues, while Christmas trees and greenhouse-grown sales including houseplants, flowers, and seedlings account for the remainder.

Hay
Despite weak demand from dairies and beef in 2009, hay remained Idaho’s third most valuable crop. Revenues are forecast at $409 million, down 4% from 2008. Hay production was down 3% to an estimated 5.4 million tons. The average price is estimated to be 29% lower than last year.

Orchards
Production for 2009 is expected to be 6.51 million cwt, a 5% increase from 2008. Yields are estimated to be 76% per year. With production up and higher prices, orchard revenues are forecast to be $43 million, up 4% from 2008.

Potatoes
Potatoes remain Idaho’s largest source of crop revenue, with 2009 revenues estimated at $796 million, 2% higher than 2008. Idaho’s 2009 potato production is estimated to be 131 million cwt, up 13% from 2008. Yields averaged 411 cwt per acre (a new record), up 28 cwt per acre from 2008, and the average price is down 1% from last year.

Wheat
Idaho’s 2009 wheat production is estimated at 121 million cwt, down 0% from 2008. Idaho average yield is estimated at 95 bushels per acre, up 9 bushels per acre from 2008. The state’s average yield is estimated to be 95 bushels per acre, up 9 bushels per acre from 2008.

Wheat
Idaho barley production in 2009 decreased an estimated 3% from 2008 levels, and the average barley price is projected to be 5% higher resulting in barley revenues estimated at $259 million, 12% higher than in 2008. The state’s average yield is estimated to be 95 bushels per acre, up 9 bushels per acre from 2008.

Potatoes
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 ('08-'09)
Idaho cash receipts from farm marketings, by calendar year.

LIVESTOCK

<table>
<thead>
<tr>
<th>Cattle and Calves</th>
<th>757</th>
<th>916</th>
<th>976</th>
<th>1,070</th>
<th>1,099</th>
<th>1,066</th>
<th>1,102</th>
<th>1,102</th>
<th>1,103</th>
<th>980</th>
<th>-8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>320</td>
<td>384</td>
<td>398</td>
<td>453</td>
<td>448</td>
<td>448</td>
<td>453</td>
<td>453</td>
<td>453</td>
<td>453</td>
<td>0%</td>
</tr>
<tr>
<td>Oranges</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>0%</td>
</tr>
<tr>
<td>Sheep</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>222</td>
<td>0%</td>
</tr>
<tr>
<td>Net</td>
<td>110</td>
<td>103</td>
<td>109</td>
<td>114</td>
<td>114</td>
<td>113</td>
<td>112</td>
<td>112</td>
<td>112</td>
<td>112</td>
<td>0%</td>
</tr>
<tr>
<td>Other Crops</td>
<td>108</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>105</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>1,629</td>
<td>2,063</td>
<td>2,059</td>
<td>2,182</td>
<td>2,182</td>
<td>2,182</td>
<td>2,182</td>
<td>2,182</td>
<td>2,182</td>
<td>2,182</td>
<td>0%</td>
</tr>
</tbody>
</table>

Crop Production 1,766 1,762 1,950 1,760 1,865 1,923 2,172 2,464 3,079 2,745 -11%
Livestock Production 1,609 2,063 2,069 2,216 2,216 2,216 2,342 2,342 2,342 2,342 -23%
Net Farm Income 79,954 83,749 91,066 89,197 99,504 101,081 104,531 110,593 118,215 105,053 -23%

Idaho net farm income, by calendar year. ($ millions)

<table>
<thead>
<tr>
<th>Year-to-Year Change</th>
<th>-1%</th>
<th>20%</th>
<th>-11%</th>
<th>-19%</th>
<th>86%</th>
<th>-24%</th>
<th>-20%</th>
<th>71%</th>
<th>19%</th>
<th>-47%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livestock Income</td>
<td>79,954</td>
<td>83,749</td>
<td>91,066</td>
<td>89,197</td>
<td>99,504</td>
<td>101,081</td>
<td>104,531</td>
<td>110,593</td>
<td>118,215</td>
<td>105,053</td>
</tr>
<tr>
<td>Crop Income</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
<td>7,074</td>
</tr>
</tbody>
</table>

Idaho cash receipts from farm marketings, by calendar year. ($ millions)

 Sources: Idaho office of the National Agricultural Statistics Service and UI projections.

Idaho’s 2009 net farm income is expected to drop by 47% from its record-breaking 2008 level, to an estimated $1.02 billion. Of Idaho’s top five agricultural products—milk, beef, potatoes, wheat, and hay—all but potatoes recorded significantly lower cash receipts in 2009 than in 2008. Cash receipts for milk dropped by almost $700 million. Cash receipts from potato sales rose an estimated 2% to $796 million, the highest level ever recorded.

2009 Crop and Livestock Highlights:

- For the first time since 2000, livestock revenues fell below crop revenues. At $2.7 billion, crop sales are 51% of Idaho’s total farm-gate cash receipts.
- Despite dismal prices and a 2% drop from record high milk production in 2008, dairy remains Idaho’s top agricultural industry. Cash receipts from milk are estimated to be $1.4 billion in 2009, a 33% drop from 2008. In spite of this decline, over 26% of Idaho farm sales were milk checks.
- Cattle and calves were Idaho’s second-largest agricultural revenue producer, bringing in an estimated $1.09 billion, 8% less than in 2008.
- Potatoes widened their lead as Idaho’s number 1 crop, with record revenues in 2009 estimated at $796 million, 2% more than a year ago. Potato production rose to 131 million cwt, up over 12% from 2008, but prices during 2009 averaged 1% lower.
- Wheat is Idaho’s number 2 crop; sales are expected to be $512 million in 2009, a drop of 28% from 2008. Wheat production was up 1%, but prices received were down 25% lower than in 2008.
- Hay revenues are forecast to be $406 million, down 40% from 2008. Total hay production was down 3%, and hay prices were down 28%.
- Barley sales in 2009 are estimated to be $259 million, 12% higher than in 2008. Idaho barley production fell by 3% in 2009, but prices were 5% higher than in 2008.
- Sugarc beets were Idaho’s crop sensation. Revenues from Idaho’s sugarc beets are estimated at $252 million, up 72% from 2008. Production is estimated to be 5.6 million tons, up 55% from 2008, and the average price for the 2009 crop was forecast to be up 11%.

The Idaho Livestock and Crop Revenues are summarized in the following tables:
Idaho Farm Cash Receipts

Cash receipts from Idaho agriculture in 2009 were estimated to be $5.54 billion, a decrease of 23% from 2008 and 33% less than the average of the past 10 years. Total 2009 net farm income is estimated at $2.0 billion, a decline of over 30% from 2008 and 12% lower than the 10-year average.

Net farm income is much more volatile than gross cash receipts. In all but one of the past 10 years, Idaho experienced double-digit swings in net farm income. In 2009, net farm income changed 19% or more from the previous year’s level. The whopping 86% increase in 2004 came on the heels of a 19% decrease in 2003 and was followed by a 24% decrease in 2005.

On the cost side, total farm expenses are estimated to be 2% lower in 2009. World energy prices fell, which reduced the costs of manufactured inputs such as fuel and fertilizer by 15%. Costs for other inputs, including machine hire, storage, transportation, repair, maintenance, and labor, were down 2% from last year.

Costs of farm-origin inputs, including feed, seed, and replacement livestock, were unchanged from a year ago.

For the 2009 calendar year, sales came from both the 2008 and 2009 crops for potatoes, barley, beans, hay, onions, and wheat. The crash in milk prices was responsible for 62% of the record decline in cash receipts paid to Idaho farmers in 2009.

After nine years of livestock supremacy in cash receipts, 2009 saw a shift back to crops caused by the downturn in milk and beef prices. Over the past decade, Idaho’s famous potatoes have struggled to account for 15% of cash receipts. Conversely, milk, which accounted for 25% of total farm cash receipts in 1999, reached a high of 39% in 2008 and then returned to 26% in 2009. As the dairy sector has grown and other sectors have stagnated or declined, the overall health of Idaho agriculture has become increasingly dependent on milk prices. The crash in milk prices was responsible for 62% of the record decline in cash receipts paid to Idaho farmers in 2009.

Total agricultural cash receipts in 2009 were 17% lower than last year’s all-time record in nominal dollars and 19% less in real terms (1996 dollars). Over a 40-year span (1970-2009), inflation-adjusted cash receipts hit a low in 1971 then rose to their third-highest point just three years later. Real-dollar cash receipts in 1999—$4.37 billion—were 30% higher than the 40-year average. Until the huge spikes in 2007 and 2008 and the high fall in 2009, real-time cash receipts in 2009—$4.37 billion—were 30% higher than the 40-year average. Until the huge spikes in 2007 and 2008 and the high fall in 2009, real-time cash receipts in 2009—$4.37 billion—were 30% higher than the 40-year average.

Over a 40-year period (1970-2009), Idaho net farm income, in nominal terms, peaked in 2008 at $3.9 billion and hit a low in 1971 at $122 million. In real dollars (1996 base year), Idaho net farm income topped out in 1974 at $1.6 billion and just five years later, in 1979, hit its lowest point, $241 million, a seventeenfold drop. Idaho real net farm income for 2009 is estimated to be 4% below the 40-year average.

Government Payments to Idaho Agriculture

For 2009, government payments in fiscal year 2009 are estimated at $115 million, a decrease of 27% from 2008 and 33% less than the average of the past 10 years. Production support payments account for 52% of total payments, conservation payments 28%, emergency program payments 4%, and payments for direct and countercyclical contract payments 26%. Despite the $686 million drop in milk revenues, direct government payments to Idaho dairy farmers (milk income loss contracts) were only $17 million.

Federal government payments peaked in 2000 at more than $260 million. The highest, $241 million, was in 1987 during the farm financial crisis. Since 2000, government payments have declined more than 56% and are below the amount paid 25 years ago.

Direct government payments contributed 23% to U.S. net farm income in 2009. In contrast, government payments to Idaho agriculture contributed 11% of net farm income. Idaho received approximately 0.9% of total 2009 payments to U.S. agriculture.