Revenue from cattle and calves was estimated at $1.47 billion, up 23% from 2010. Livestock sales in 2011 increased an estimated 6% from 2010 levels, and the average barley price is projected to be 8% higher, resulting in barley revenues estimated at $232 million, 15% higher than in 2010. The state’s average yield is estimated to be 74% higher than last year.

Livestock

Cattle and calves were Idaho’s second-largest agricultural revenue producer, bringing in an estimated $7.4 billion, a 29% increase over 2010. Seven of Idaho’s major commodities set new all-time records for cash receipts in 2011: cattle and calves, milk, dairy beans, hay, potatoes, wheat, and sugar beets. Onions were the only major crop to post a decline in cash receipts; this comes a year after onions reached their second highest level of cash receipts in 2010.

Idaho’s 2011 net farm income is expected to be $2.6 billion, 88% higher than in 2010. Expenses are projected to rise by 12% but are outweighed by a projected 29% increase in revenues.

2011 Crop and Livestock Highlights:

- Livestock receipts are once again projected to be well above crop receipts. At an estimated $4.06 billion, livestock sales were 55% of Idaho’s total farm gate cash receipts.
- Dairy remained Idaho’s top agricultural sector thanks to strong prices and record-high milk production. Cash receipts from milk are estimated to be $2.44 billion in 2011, a third of Idaho farm sales and a 28% jump over 2010.
- Cattle and calves were Idaho’s second-largest agricultural revenue producer, bringing in an estimated $1.47 billion, 23% more than in 2010.
- Potatoes remained Idaho’s No. 1 crop, with an estimated $912 million in 2011 sales, 32% higher than a year ago. Potato production rose to 127 million cwt, up nearly 13% from 2010, and prices averaged 38% higher.
- Wheat was Idaho’s No. 2 crop. Sales are expected to be $766 million in 2011, 42% above 2010 sales. Wheat production was up 8% in 2011, and prices were 37% higher than in 2010.
- Hay revenues are forecast to be $665 million, up 76% from 2010. Total hay production was down 2%, but hay prices were up 74%.
- Barley sales in 2011 are estimated at $323 million, 15% higher than in 2010. Idaho barley production was up 6% in 2011, and prices were 8% higher than in 2010.
- Revenues from Idaho’s sugar beets are estimated at $352 million, up 16% from 2010. Production is estimated to be 6.03 million tons, up 14% from 2010, and the average price for the 2011 crop is forecast to be up 2%.

Idaho agriculture shattered cash receipt and net income records in 2011.
Idaho Farm Cash Receipts

Cash receipts from farming and related operations increased by $7.38 billion—29% above last year’s $53.7 billion. Crop revenues are estimated at $3.32 billion—by far the highest on record—up 33% from last year’s $2.50 billion and 42% above the 10-year average. Hay, wheat, and potatoes recorded the largest increase in Farm 2010 levels. All crop categories posted double-digit increases with the exception of greenhouse nursery (up 5%) and onions (down 31%).

Livestock revenues are estimated at $4.66 billion, up 23% from last year’s $3.32 billion and 44% higher than the 10-year average. Cash receipts from cattle and calves are projected to be $1.47 billion, 23% higher than in 2010. Cash receipts from milk are expected to be $2.44 billion, up 28% from last year’s $1.91 billion.

Although the value of Idaho’s famous potato crop has increased over the past decade, potatoes have dropped from 18% of total cash receipts in 2002 to 12% in 2011 as the rate of expansion in total cash receipts has outpaced that of potatoes. Most of the expansion in total cash receipts has been from the dairy sector. Milk sales, which accounted for 23% of total farm cash receipts in 2002, are projected to account for 33% in 2011. While Idaho agriculture maintains a healthy diversity, its overall economic health is increasingly dependent on milk prices.

Total agricultural cash receipts in 2011 are expected to be 29% more than in 2010 in nominal dollars and 26% more in real terms ($7.38 billion). Over a 42-year span (1970-2011) inflation-adjusted cash receipts hit a low in 1971, then, just three years later, hit a record that held until 2007. Real-dollar cash receipts in 2011—$5.56 billion—were 68% higher than the 42-year average. Until the huge spikes in 2007 and 2008 and the hard fall in 2009, revenues from Idaho agriculture in the 1990s and into the 21st century were far less volatile than in previous decades.

Idaho Farm Net Income

Net farm income is an estimate of the farmer's bottom line. It is the gross farm income in 2011 is estimated to be 88% higher than in 2010. An estimated 29% increase in revenues (gross farm sales, government payments, and receipts) is projected with an estimated 12% decrease in costs in resulted in an estimated net farm income of $2.64 billion, up 29% higher than the 10-year average and $903 million above the previous record set in 2008.

Net farm income is much more volatile than gross cash receipts. In every one of the past 10 years, Idaho experienced double-digit swings in net farm income. In five of the past 10 years, net farm income changed 48% or more from the previous year. The whopping 88% increase in 2011 came on the heels of a 56% increase in 2010 and a 48% decrease in 2009.

The projected 88% increase in 2011 net farm income can be attributed largely to the 33% increase in crop revenues and 25% increase in revenues from livestock and milk sales. Revenues from services and forestry are estimated to be $548 million, 7% higher than in 2010, while revenues from government payments are expected to be down 26%.

The 12% projected increase in overall farm expenses in 2011 masks extreme variations in some key inputs. Diesel fuel costs were up by about a third, fertilizer costs were up 35%, and while chemical costs were up overall, costs did drop for some products. Land value increases have helped the balance sheets of owners, but made it difficult for those wanting to purchase land. Higher commodity prices are putting up land rents and property taxes. Among farm-origin inputs, feed and seed cost more in 2011 and replacement livestock prices went up. Growers continued to benefit from lower interest rates, but credit availability is still an issue for financing financial stressed farms.

Total 2011 U.S. net farm income is estimated at $100.9 billion, up 28% from 2010 and 40% higher than the 10-year average. Over a 42-year period (1970-2011), Idaho net farm income, in nominal terms, peaked in 2011 at $2.64 billion and hit a low in 1977 at $112 million. In real dollars (2008 dollars), Idaho net farm income set a new record this year at $2.49 billion. The previous record was in 1974 (38 years ago) at $2.00 billion. Just five years later in 1979, real net farm income hit its lowest point, $794 million, a Confluent drop.

Idaho real net farm income for 2011 is estimated to be 131% above the 42-year average.

Idaho Agriculture’s Net Value Added

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

Idaho net farm income for 2011 is not published by the USDA until the fall of 2012. Data sources were used to forecast 2011 net farm income include the USDA forecast “Value-Added to the U.S. Economy by the Agricultural Sector via the Production of Goods and Services—2007-2011” Farm revenues and livestock and milk sales, from 2011 cash receipts forecast with adjustments for inventory changes and reincash receipts. Costs were estimated from the per- centage change from 2010 to 2011 in nominal U.S. cost information, which we used to update this year’s cost data. Net farm income estimates published by the USDA are subject to review for up to five years. For example, in 2003 USDA reported Idaho net farm income at $1.22 billion ($615 million) in real dollars and two years later revised it down by close to a third.

Gross state product (GSP) measures the sum of all value added by industries within the state. Net value added (NVA) measures economic returns to farm employees, landlords, and farmers. It measures production and processing’s contribution to a state’s GSP. Net farm income is that portion of NVA earned by farm operators. NVA estimates are modified by the U.S. Department of Commerce to develop Idaho’s GSP agricultural accounts.

Government Payments to Idaho Agriculture

Federal government payments in fiscal year 2011 are estimated at $2.32 billion—a decrease of 26% from 2010 and 19% less than the average of the past 10 years. Production support payments account for 6.7% of total payments, conservation program payments 26%, emergency program payments 6%, and price support program payments 1%. Federal government payments peaked in 2000 at more than $264 million. The previous high, $234 million, was in 1987 during the farm financial crisis. Since 2000, government payments have declined 54% and are below the amount paid 25 years ago. Direct government payments contributed 10.5% to U.S. net farm income in 2011. In contrast, government payments to Idaho agriculture contributed 4.6% to net farm income. Idaho received approximately 1.2% of total 2011 payments to U.S. agriculture.