Idaho Livestock and Crop Revenues

Cattle and Calves

Following record high beef prices in 2013, beef prices set new record highs in 2014 and throughout the year averaged 45% higher than in 2013. The U.S. inventory of beef cattle was the lowest since 1958. The January 1 inventory of Idaho beef cows was 445,000 in 2014, down 11% from 2013. Revenue from cattle and calves is estimated at $2.47 billion, up 29% from 2013.

Barley

Idaho ranks third in the nation for milk production, with an output of 1.38 billion pounds in 2014. Production was up 3.2% from 2013, and prices averaged 22% higher than 2013. Idaho barley production in 2014 is estimated to be 6.27 million tons, down 0.5% from 2013. Growers harvested 5,000 fewer acres than in 2013. Idaho's projected 2014 average beet price of $44 per ton is 10% higher than in 2013.

Hay

Hay remained Idaho's third-most valuable crop as measured by sales. Cash receipts are projected to be $605 million, up 16% from 2013. Taking into account that approximately 45% of the hay produced in Idaho is fed on the farms where it is produced rather than sold, the total value of hay production is estimated at $1.1 billion in 2014, making Idaho hay's most valuable crop. Hay production was up 11% to an estimated 5.5 million tons. Strong demand from dairies and exports to drought-stricken California markets drove Idaho's hay prices to record highs. The average price was $201 per ton, up $9 per ton from 2013.

Potatoes

Potatoes remain Idaho's largest source of farm cash receipts, with 2014 revenues estimated to be $885 million in 2014, 7% lower than in 2013. Potato production is estimated to be $646 million, down 14% from 2013. Yields averaged 452 cwt per acre in 2014, up 10 cwt per acre from the previous year, and the average price is estimated to be down 6%, to 72.00 cwt per.
**Idaho Net Farm Income**

Net farm income is the farmer’s bottom line, or revenues minus costs. Revenues include cash receipts from crop and livestock marketings, 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 46% increase in 2014 Idaho net farm income resulted from an estimated 11% increase in revenues coupled with an estimated 6% decrease in expenses. Estimated net farm income in 2014 is $4.53 billion, 54% above the 10-year average. In contrast, USDA’s 2014 U.S. net farm income is estimated at $96.9 billion, down 21% from 2013.

Historically, net farm income is much more volatile than gross cash receipts. In each of the past 10 years, Idaho experienced double-digit swings in net farm income. Net farm income plummeted by 37% from 2008 to 2009, then increased by 40% from 2009 to 2010. The 46% increase in 2014 came on the heels of a 48% increase in 2013 and a 13% decrease in 2012. Real-dollar (inflation adjusted to 2012) Idaho net farm income set a 45-year record (1970–2014) last year at 238% above the 45-year average.

The overall decrease in farm expenses in 2014 was attributed to a 4% decrease in farm-origin inputs (feed, seed, and replacement livestock purchases) and a 4% decrease in manufactured inputs (fertilizer, chemicals, and fuel). Other expenses were down 12% overall, including contract labor, machine hire and custom work, marketing, storage, transportation, repairs, and maintenance. Farmers continued to benefit from historically low interest rates in 2014.

**Idaho Farm Cash Receipts**

Idaho’s 2014 farm cash receipts are estimated to be $9.70 billion—16% above last year’s $8.37 billion.

Crop revenues are estimated at $3.76 billion—the highest on record—up 2% from last year’s $3.68 billion and 29% above the 10-year average. The largest projected increases from 2013 levels are by hay (up 16%) and sugarbeets (up 9%). Other major crops all posted declines: wheat (down 13%), barley (down 22%), dry beans (down 15%), and potatoes (down 7%). Because crop revenue is recorded on a calendar-year basis, crop sales include a portion of both the previous year’s and the current year’s production, except for sugarbeets.

Livestock revenues are estimated at $5.94 billion, up 27% from 2013 and 65% higher than the 10-year average. Cash receipts from cattle and calves are projected to be $2.47 billion, 29% higher than in 2013. Cash receipts from milk are expected to be $3.25 billion, up 26% from last year’s $2.57 billion.

In real dollars (inflation adjusted to 2012), estimated cash receipts are 90% higher than the 35-year average. Extreme volatility in commodity prices over the past 7 years has increased agricultural revenue volatility to levels last seen in the 1970s and 1980s. In the past 10 years (2005–2014) real cash receipts have grown at an average annual rate of 6.4%. In the previous two decades (1983–2002) real cash receipts grew at an average annual rate of only 0.41%.

**Government Payments**

Federal government payments to Idaho agriculture in fiscal year 2014 are estimated at $59 million, a decrease of 23% from 2013 and 28% less than the average of the past 10 years. Government payments came in three forms:

- Production support (50%)
- Conservation program (45%)
- Emergency program (5%)

In real dollars, Idaho direct government payments peaked during the farm financial crisis in 1986 at more than $398 million. Since 1986, government payments have declined 76%. In 2014, direct payments contributed 10.9% to U.S. net farm income. In contrast, government payments contributed only 2.2% to Idaho’s net farm income, down from a high of 16% in 2005. Idaho received less than 1% of total 2014 payments to U.S. agriculture.

**Idaho Agriculture’s Gross Domestic Product**

Gross Domestic Product (GDP) measures the growth of an economy. It is a measure of value added rather than of sales and equals the value of output minus the value of intermediate goods and services used in production. GDP increases when farms and businesses reduce their use of intermediate inputs and produce the same output.

In 2013, Idaho total real GDP (chained 2009 dollars) exceeded $57 billion, of which 45% was from farming. farming GDP in 2013 increased 15% over 2012, to a record $7.6 billion. From 1997 to 2013, Idaho farm GDP more than doubled.

**Idaho’s Farm Cash Receipts and Net Farm Income, 1980-2014**

Source: USDA Economic Research Service and UI projections.

Note: In real dollars (2012 base) for the fiscal year, all other years are calendar years.

**Idaho Net Farm Income**


Note: In real dollars (2012 base). 2014 is the fiscal year; all other years are calendar years.

**Idaho Total GDP and Agricultural GDP, 1997-2014**

Source: U.S. Department of Commerce Bureau of Economic Analysis.