



University of Idaho
Extension

Financial Condition of Idaho Agriculture, 2021

Henry's Fork

April 12, 2022

Greg Alward and Garth Taylor

Idaho; Small Economy with Big Ag



Fifth largest ag state (Ag GDP as % state GDP)

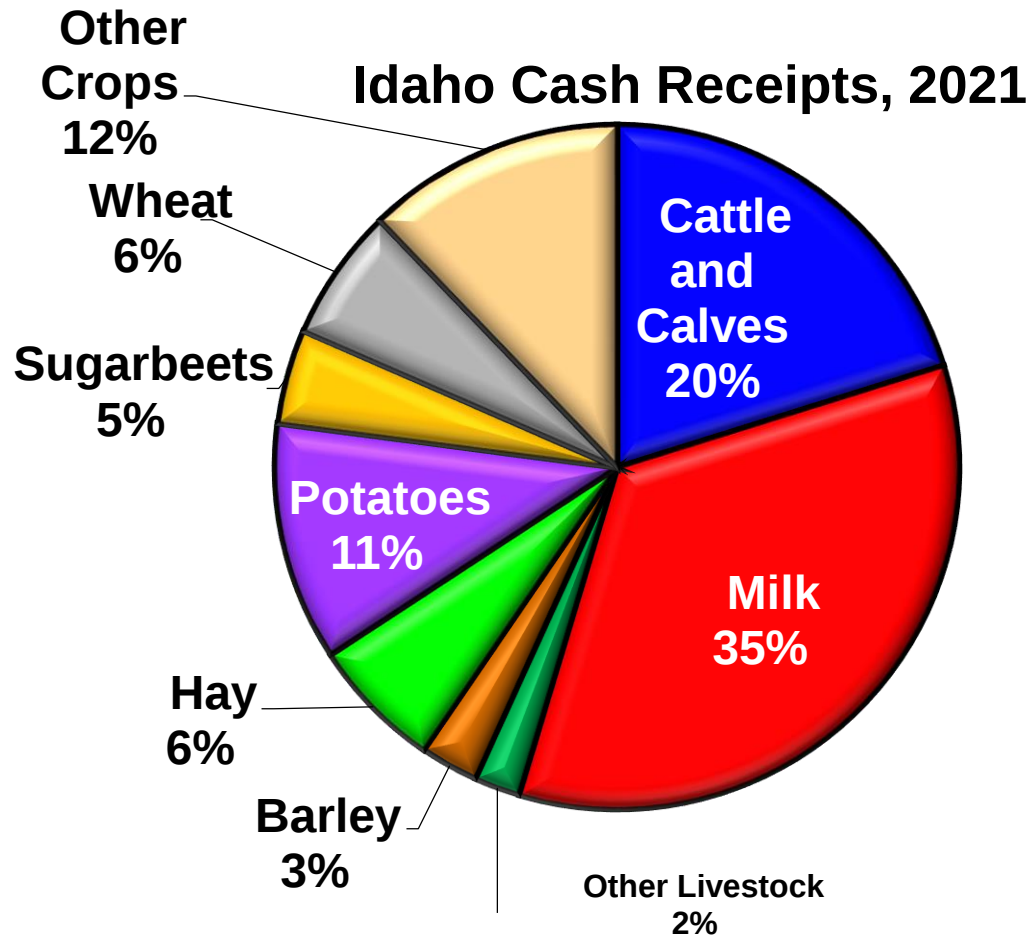
South Dakota, North Dakota, Nebraska, and Iowa

Idaho Ag Biz contribution Sales 17% (high tech mfg. 7%), Jobs 12%, GDP 12.5 %

Magic Valley Ag Biz contribution over 40% jobs

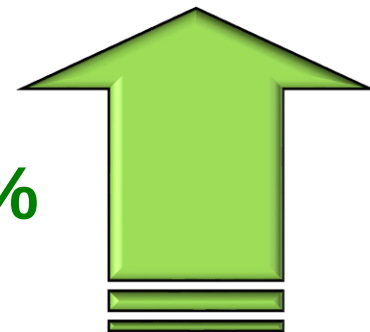
Henry's Fork Ag Biz contribution 7.7% Agbiz
2.4% Ricks

2021 Record High with Backward and Forward Links



\$8.8 billion, 2021

up 9%



\$8.1 billion, 2020

5 Record Highs

Crops \$3.8 B ↑4%

1st Potatoes: ↑9%

Barley: ↑3%

Wheat: ↑3%

1st Beets: ↑19%

1st Hay: ↑21%

Livestock \$5 B ↑6%

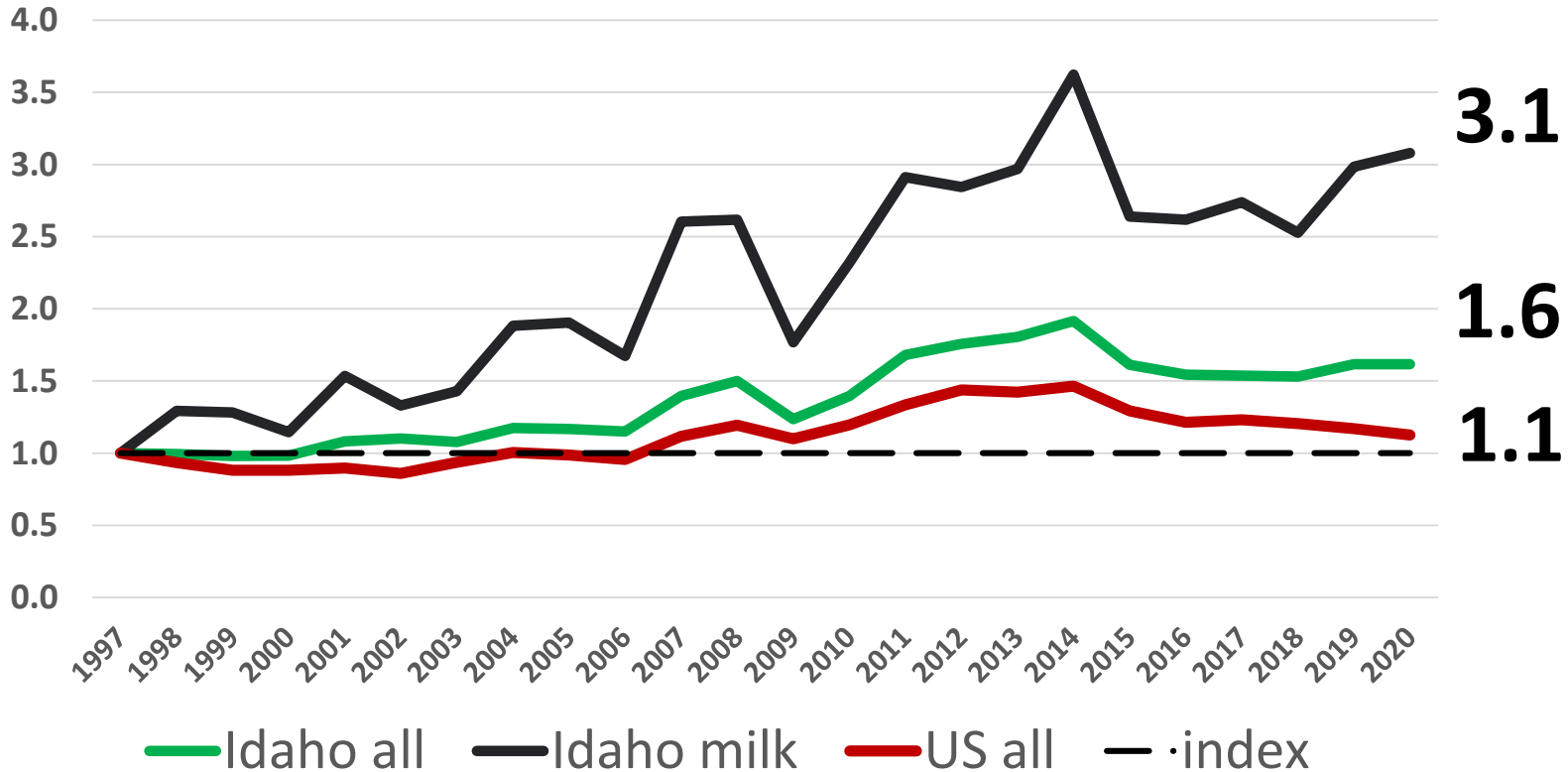
1st Cattle & Calves: ↑13%

2nd Milk: ↑3%

Idaho Outgrows US



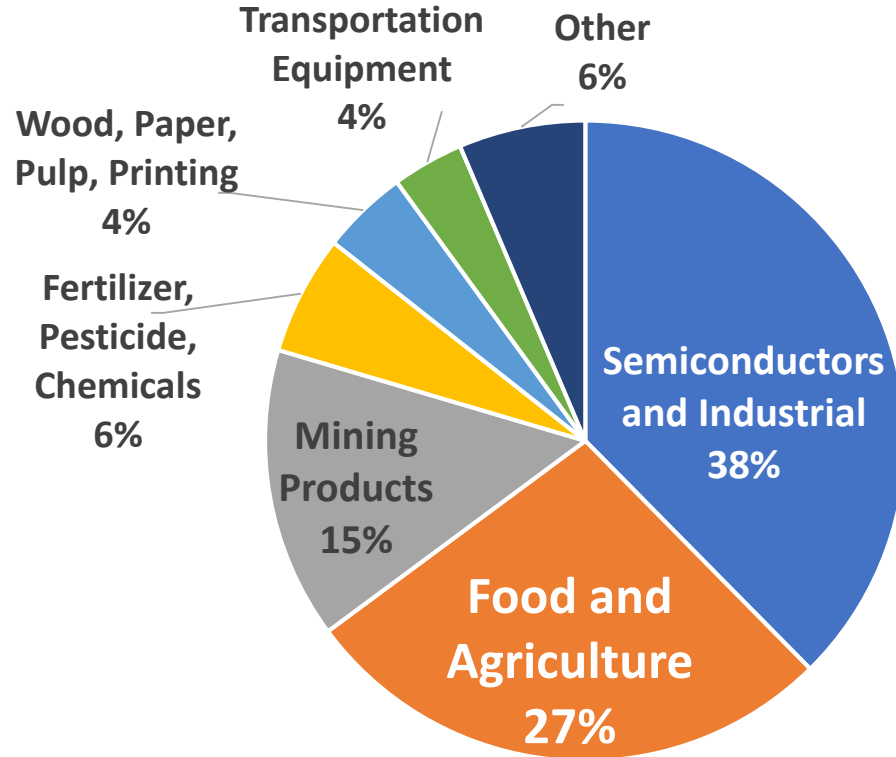
Idaho vs US real cash receipts index (2020 dollars)



Record Idaho Ag Exports



2020 Idaho Exports by Industry

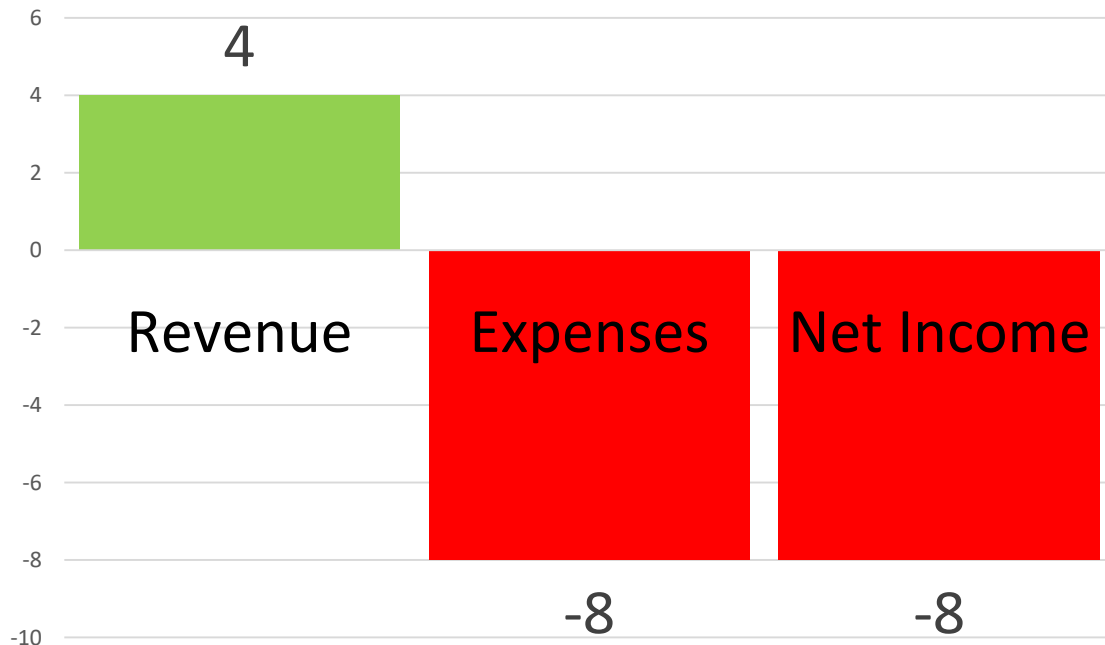


- 2020, Idaho's total export \$3.4 billion
- 2020 Ag exports \$930 million, record high
- Canada and Mexico half
- 2/3 dairy, potatoes, wheat, and beef

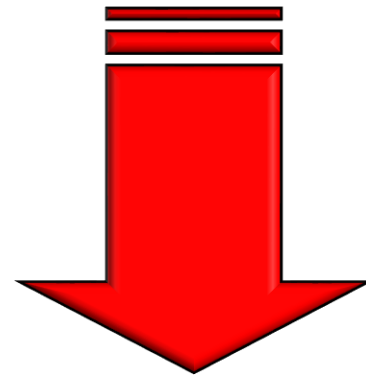
3rd Highest 2021 Net Farm Income, down 8%



Idaho Net Farm Income
(% change from 2020)



\$2.6 billion, 2020

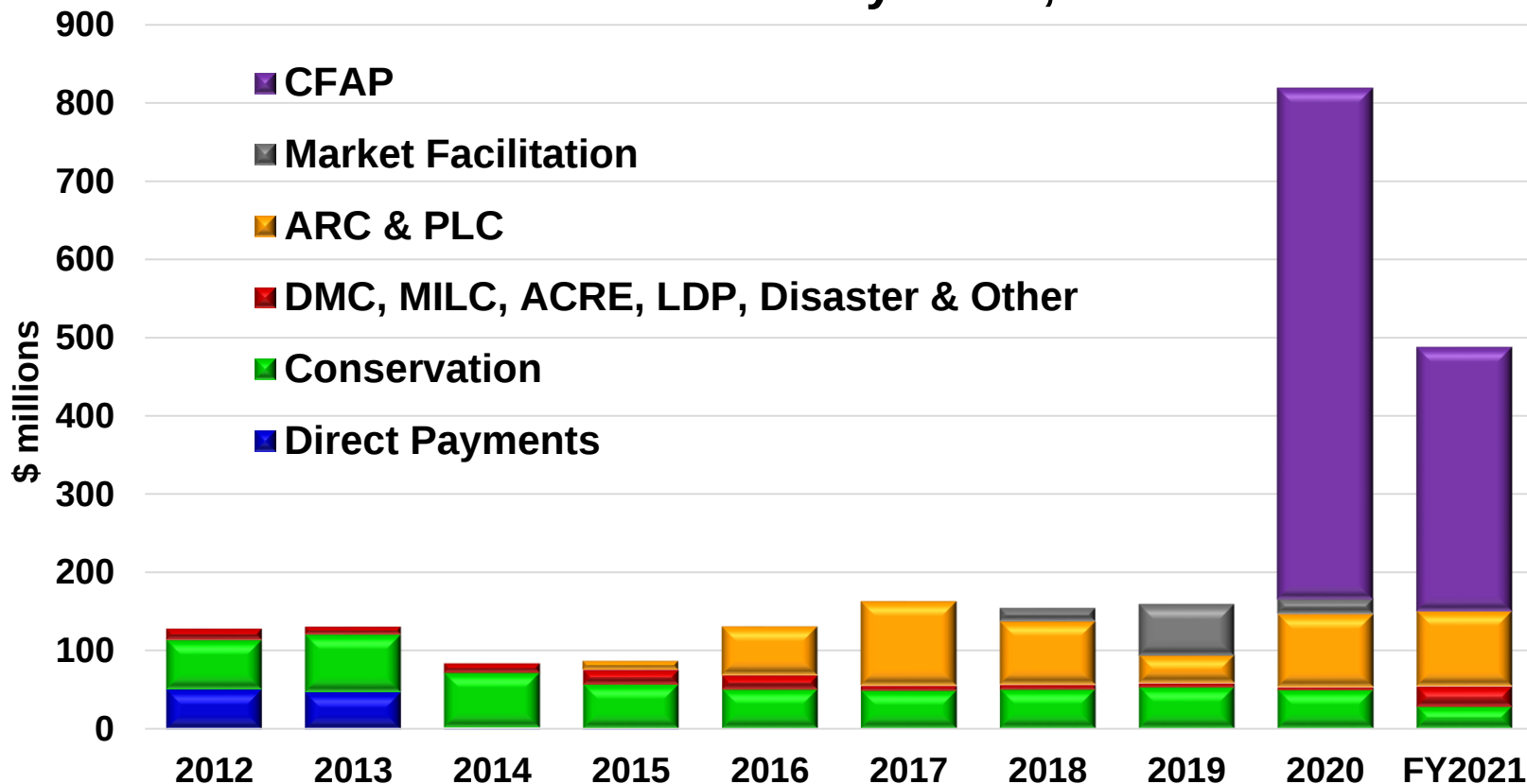


\$2.4 billion, 2021

Govt Payments drop over 40%



Idaho Government Payments, 2012-2021

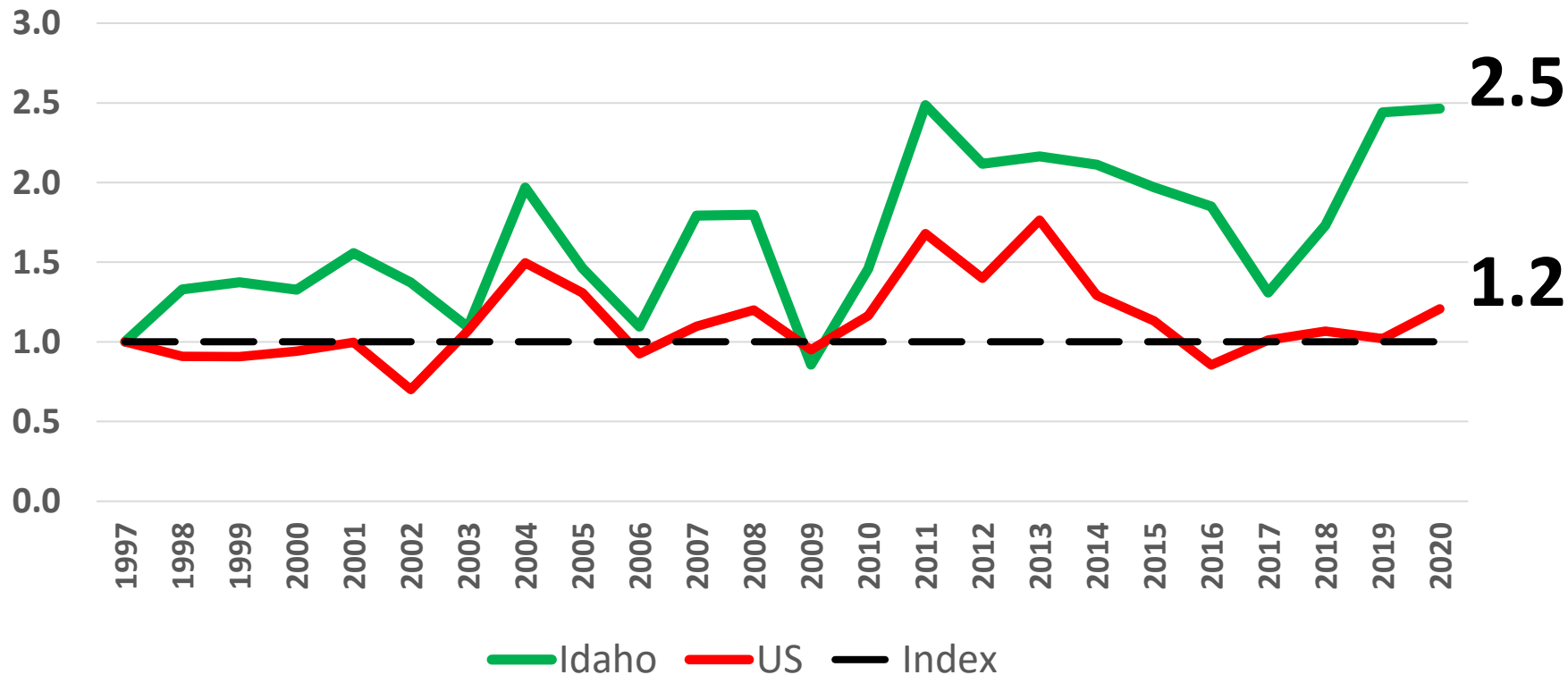


Source: University of Idaho

Idaho vs US Real Net Farm Income



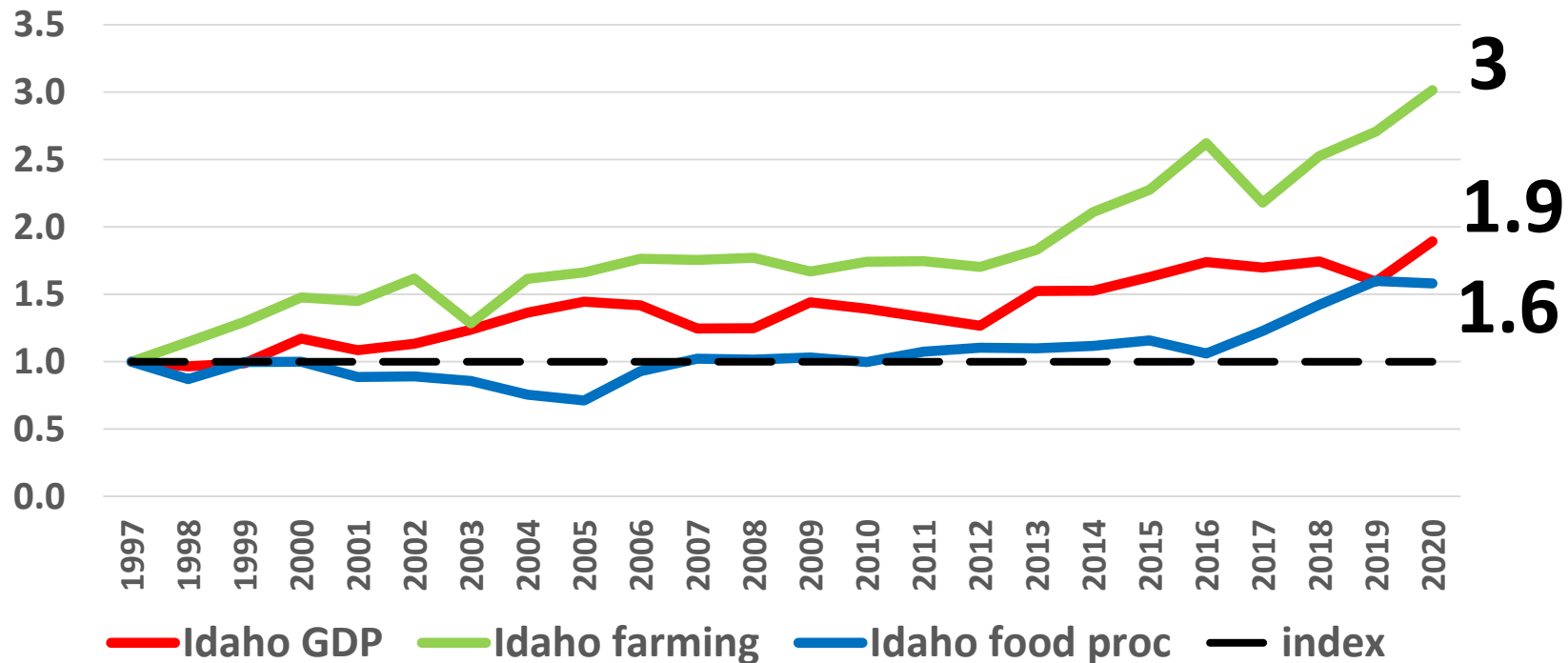
Real (2020 dollars) Net Farm Income, Idaho vs US (1997=1)



Idaho Farm GDP Grows 200%



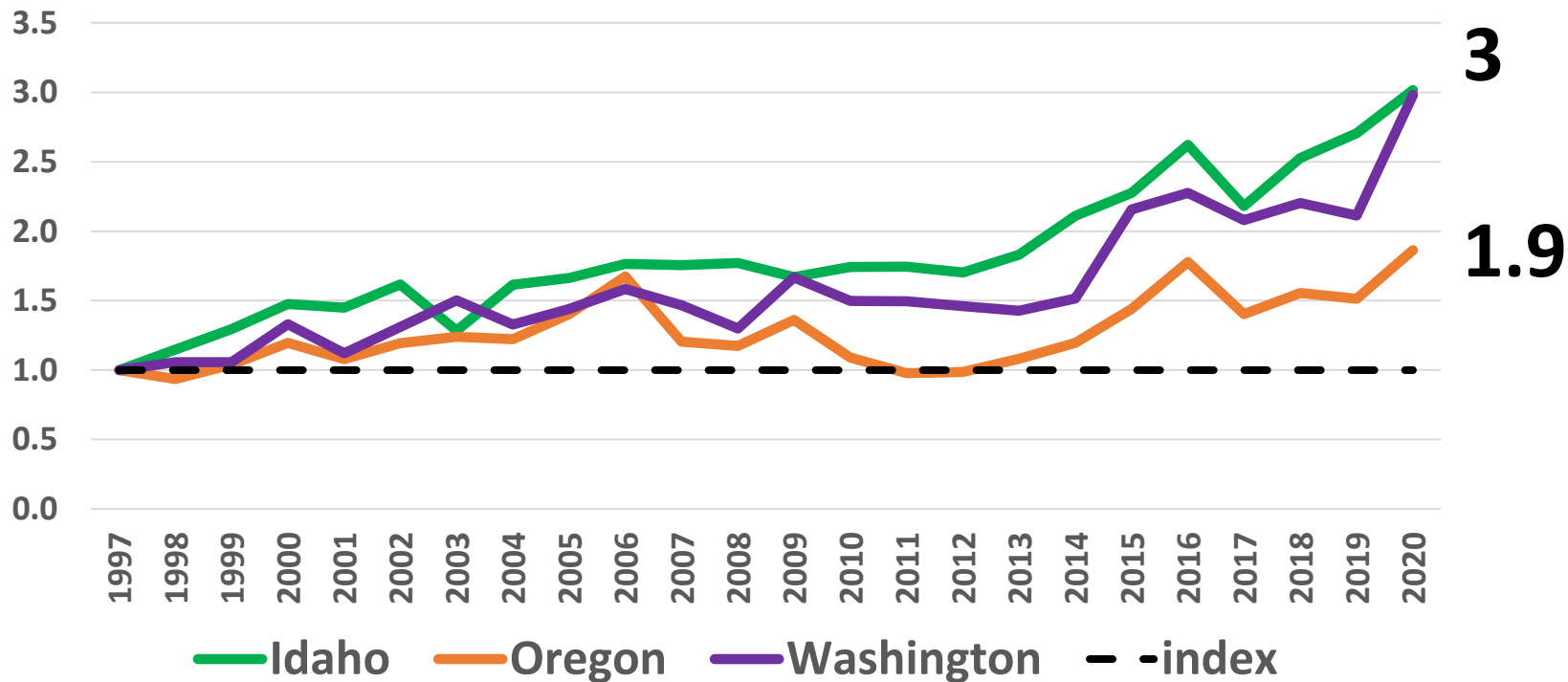
Indexed Chained (2012) Idaho GDP (1997=1)



Idaho Leads Northwest GDP Growth



Northwest chained farm GDP index (1997=100)



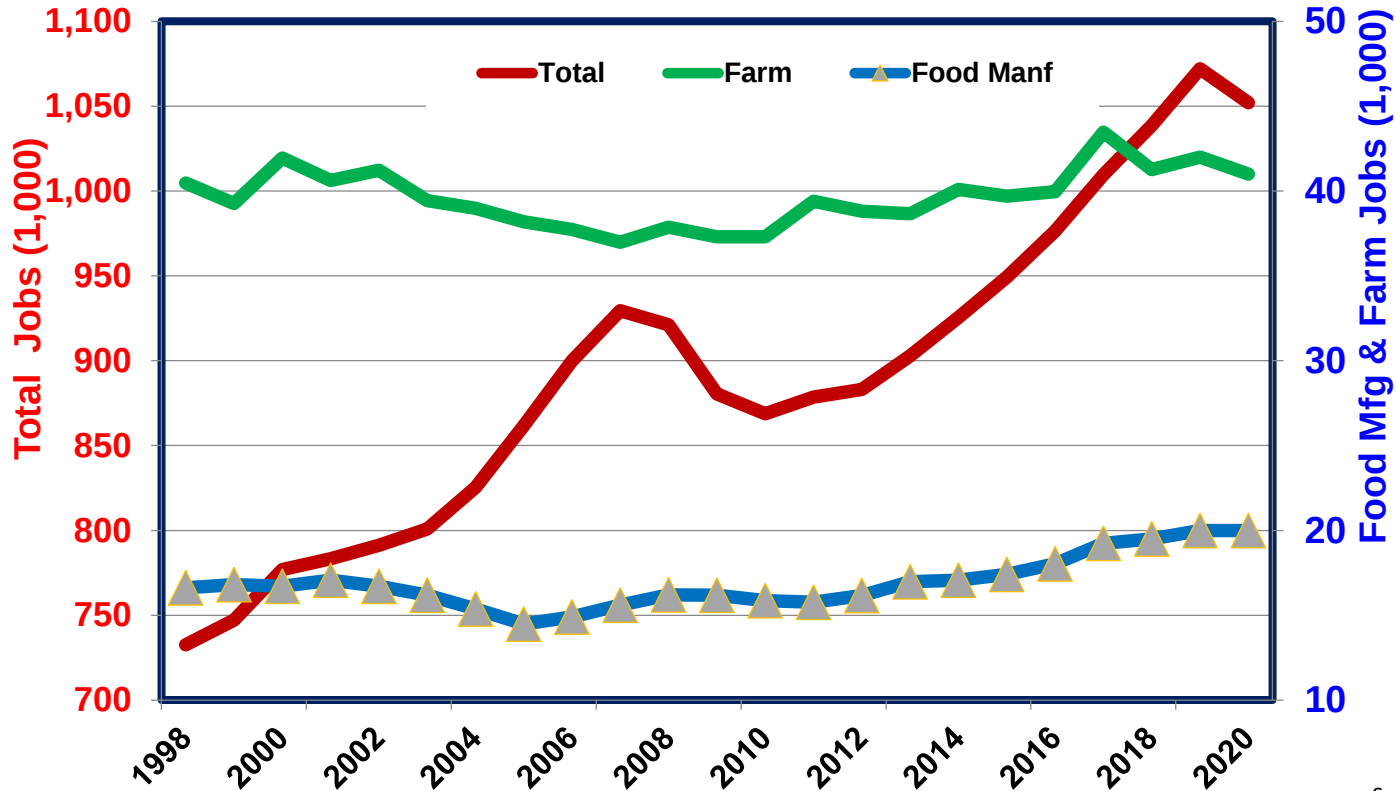
Idaho Unemployment: 2007 to 2021



Farming & Food Mfg = steady jobs

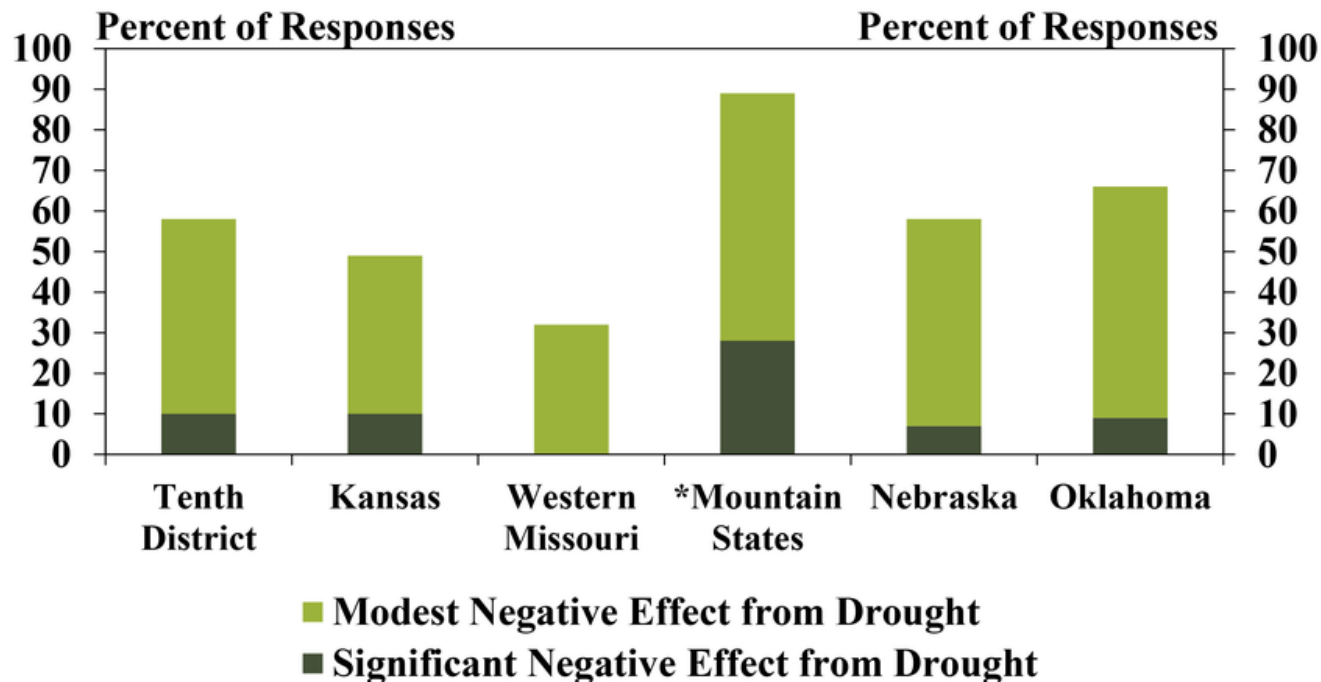


Full and Part Time Jobs 1998-2018



- **Idaho** Over 1 million
- **Farm** 41,000
- **Food mfg** 20,000

Chart 7: Impact of Drought on Financial Conditions of Farm Operations, Q3

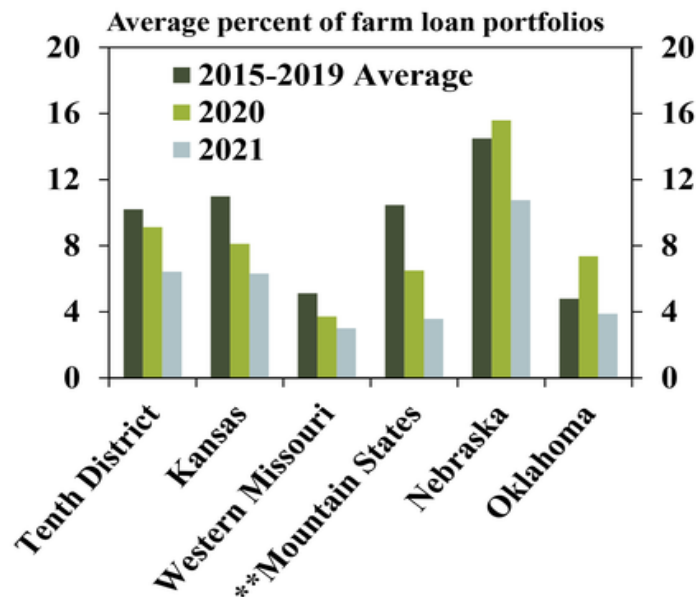


Note: Respondents were asked to indicate what has been the impact of drought on financial conditions of farm operations in their lending area.

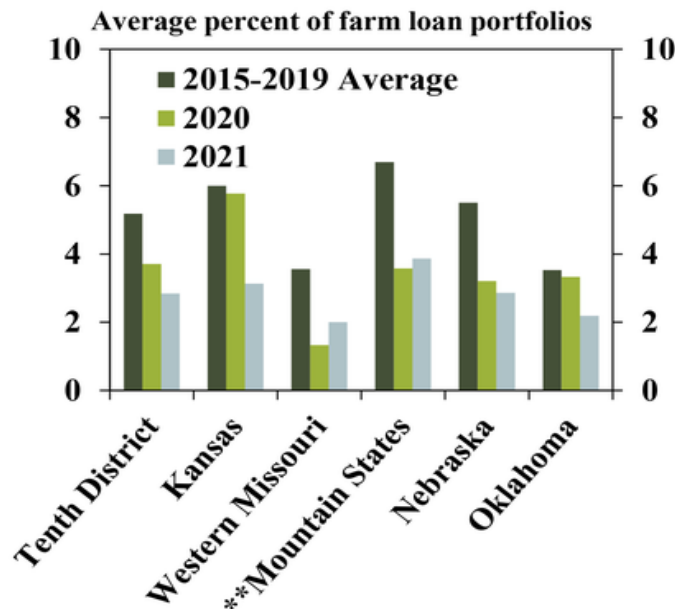
*Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

Chart 3: Problem Loan Rates, Q3

Watch List*



Classified List*



Note: Respondents were asked to indicate the percentage of their bank's farm loan portfolio currently on the 'Watch' and 'Classified' lists.

*For purposes of this article, a "Watch List" loan is interpreted as a qualifying credit but is being closely monitored for potential problems (deterioration in borrower financial conditions, management changes, etc.). A "Classified List" loan is a loan with a defined weakness (inadequate debt service, insolvent collateral position, etc.) that requires specific documentation and potential bank reserve adjustments.

** Mountain States include Colorado, northern New Mexico and Wyoming, which are grouped because of limited survey responses from each state.

2022 OUTLOOK – VERY WORRIED



- Drought
- Inflation – land rent, fertilizer, fuel, Roundup
- Leading indicators, Land and dairy herd
- Export strength
- 2022 USDA
 - NFI down 4.5% (after up 25%)
 - Cash receipts up 6.8%
 - Dairy net cash farm income up 50%
- KSU (NFI down 2/3 and 30% farms negative)
- Ukraine

Idaho 3rd Total & 2nd Irrigation Withdrawals

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For More Information

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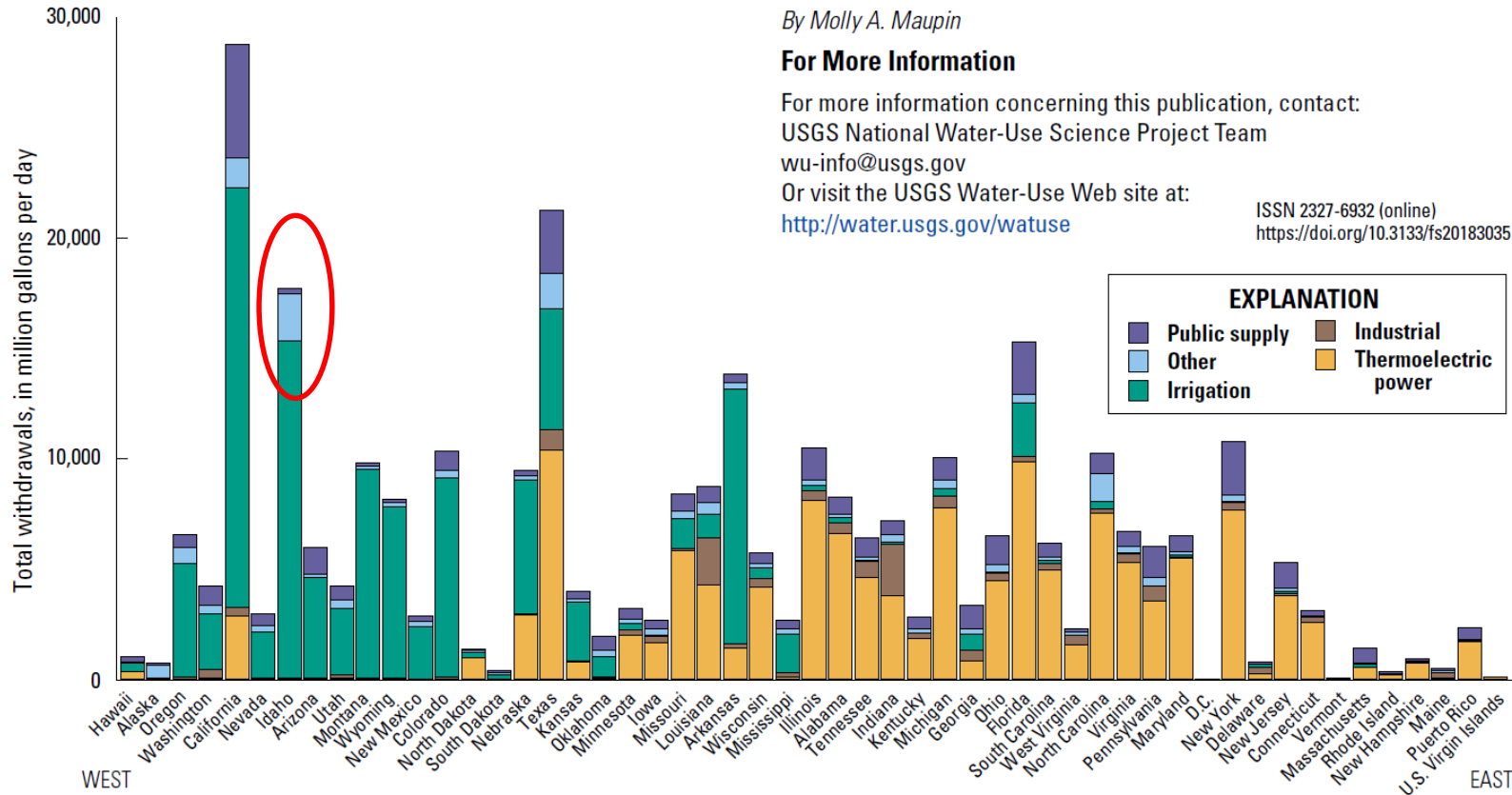
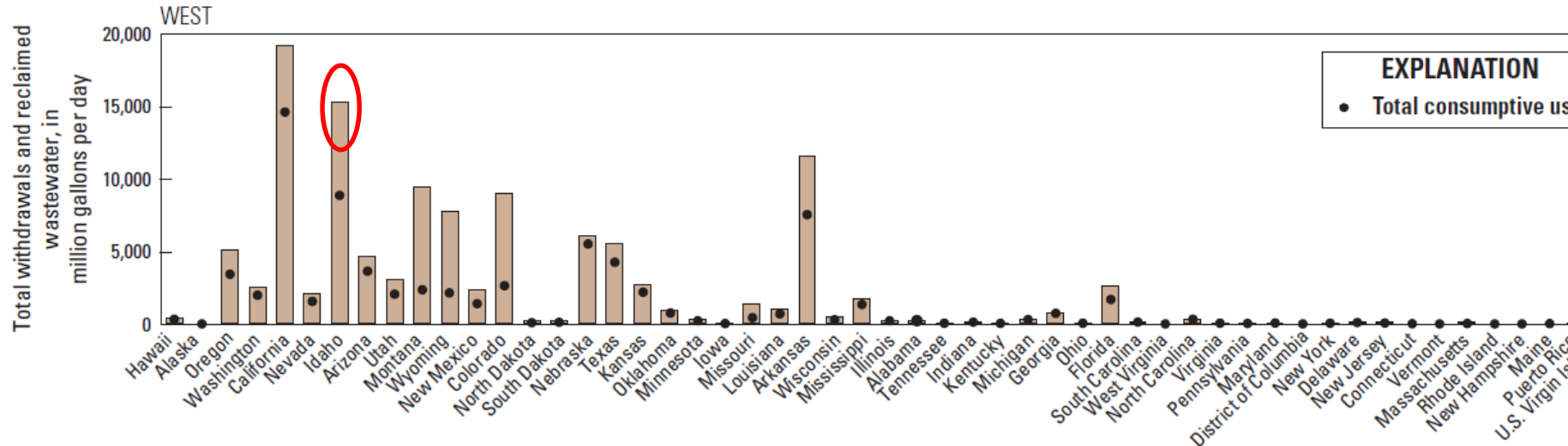


Figure 1. Withdrawals by category in 2015. States are arranged geographically from west to east. Units are in million gallons per day (Mgal/d); 1 billion gallon per day is equal to 1,000 Mgal/d.

Idaho 2nd irrigation consumptive use



Idaho 5th Irrigated Acres

64 m acres irrigated 2015, 2 % increase over 2010

WATER WITHDRAWALS FOR IRRIGATION IN 2015

States in the West and the lower Mississippi River Basin lead the way



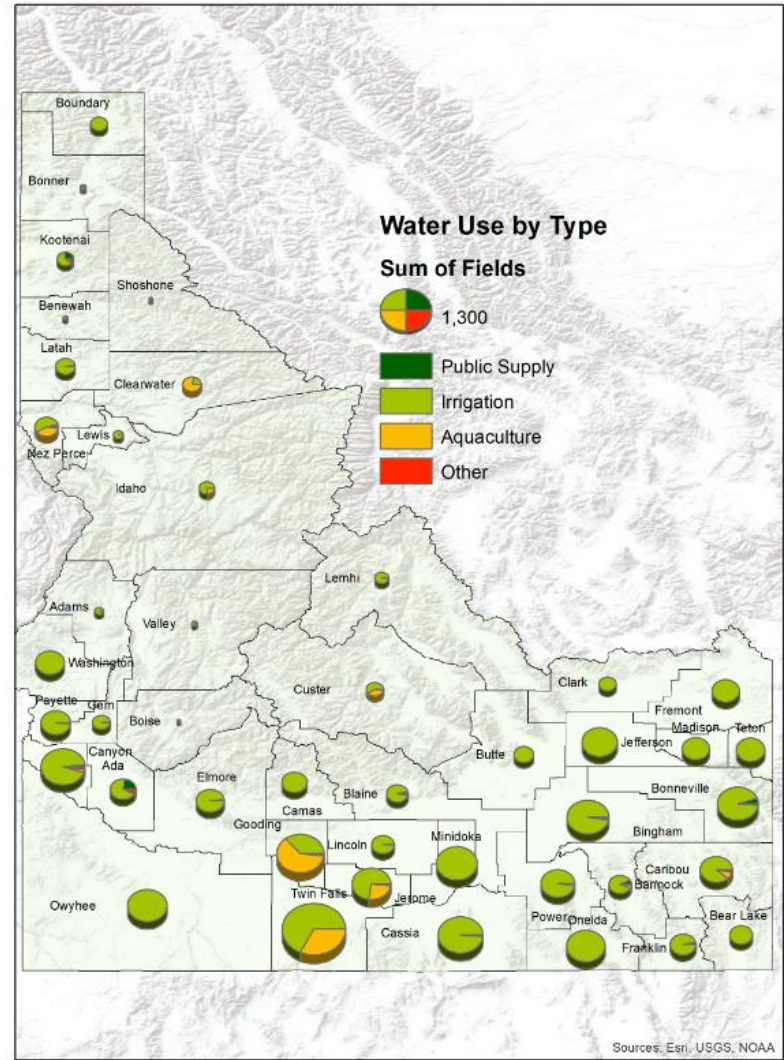
Source: Dieter et al. (2018) Estimated Use of Water in the United States in 2015. USGS Circular 1441.

city of Idaho

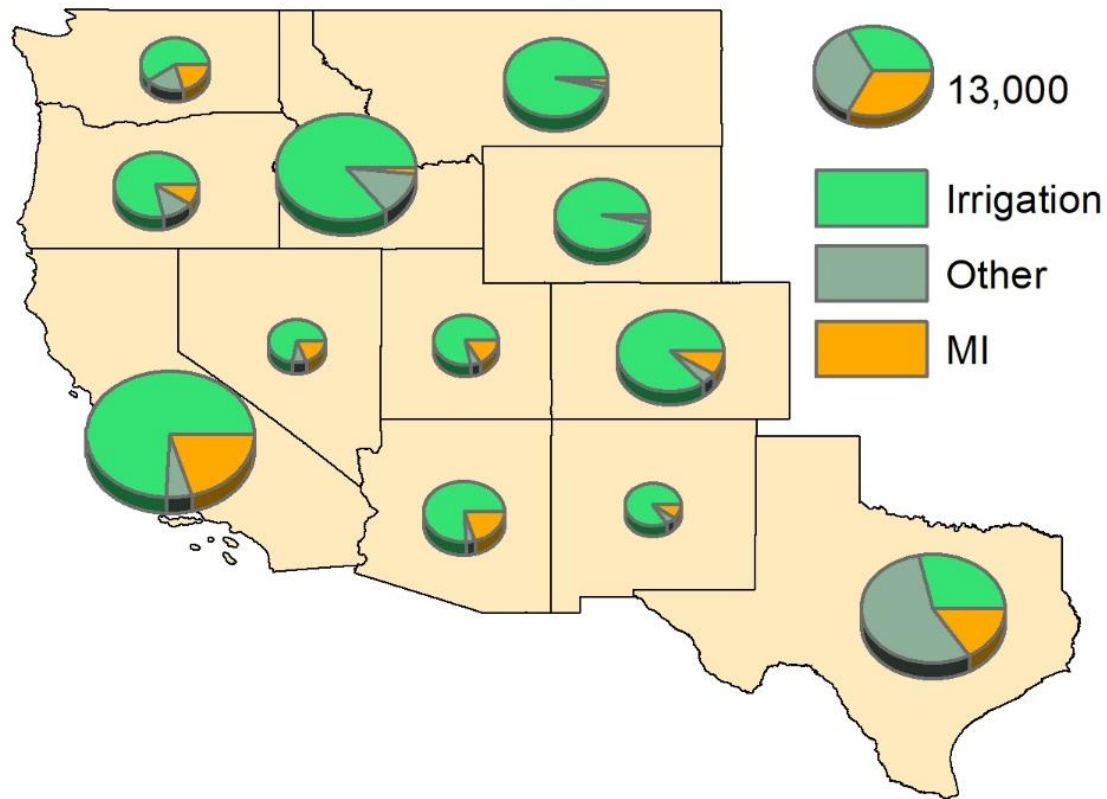


Idaho Withdrawals, 2015

- Ada only county with M&I
- Aquaculture: Gooding, Twin Falls, & Jerome
- Twin Falls largest

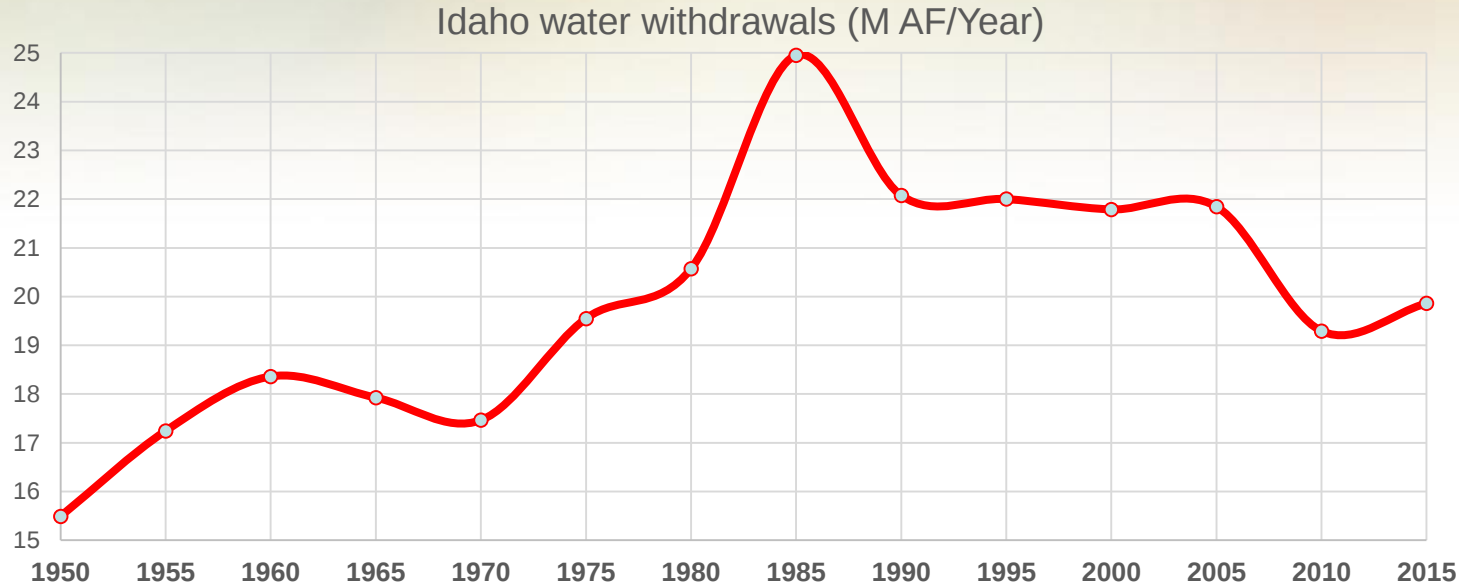


Water Use: Irrigation % of Total



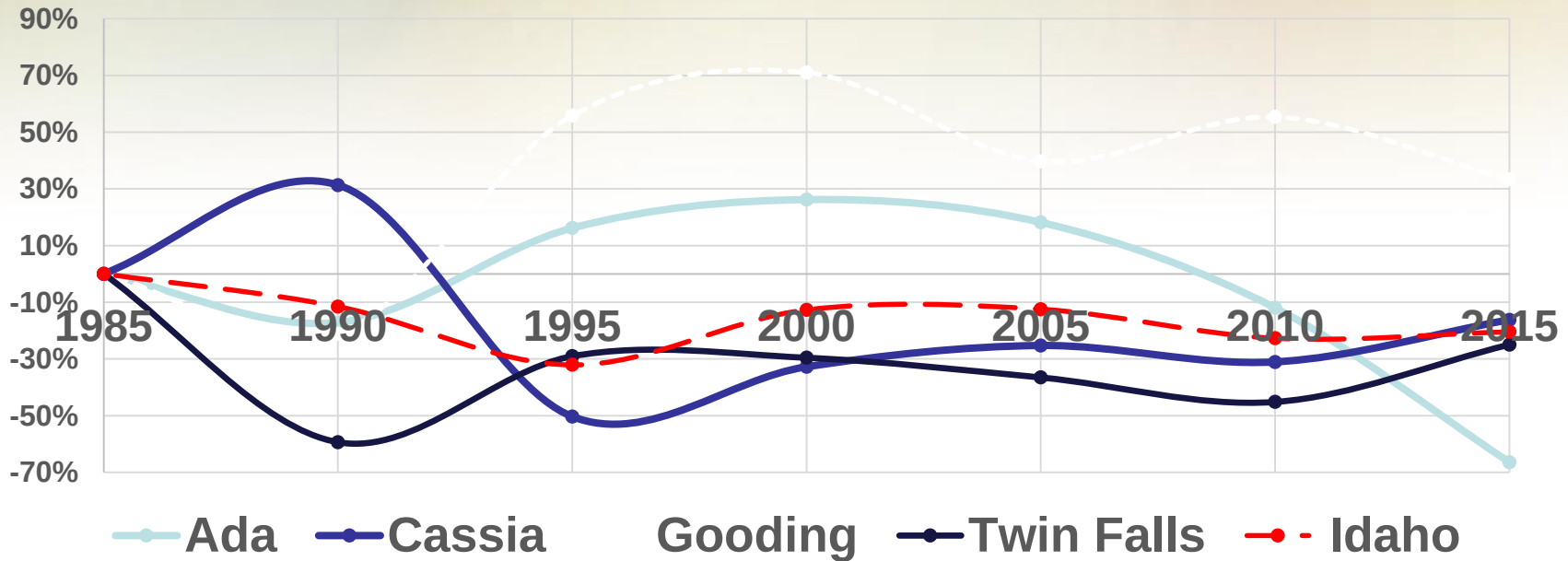
ID	86%
NM	84%
CA	74%
OR	78%
WA	59%
UT	78%
TX	29%
CO	87%
WY	97%
NV	72%
MT	96%
AZ	76%

Idaho total withdrawals peaked 1985 2015 at 1975 level



Total Withdrawals, Idaho & 4 Counties

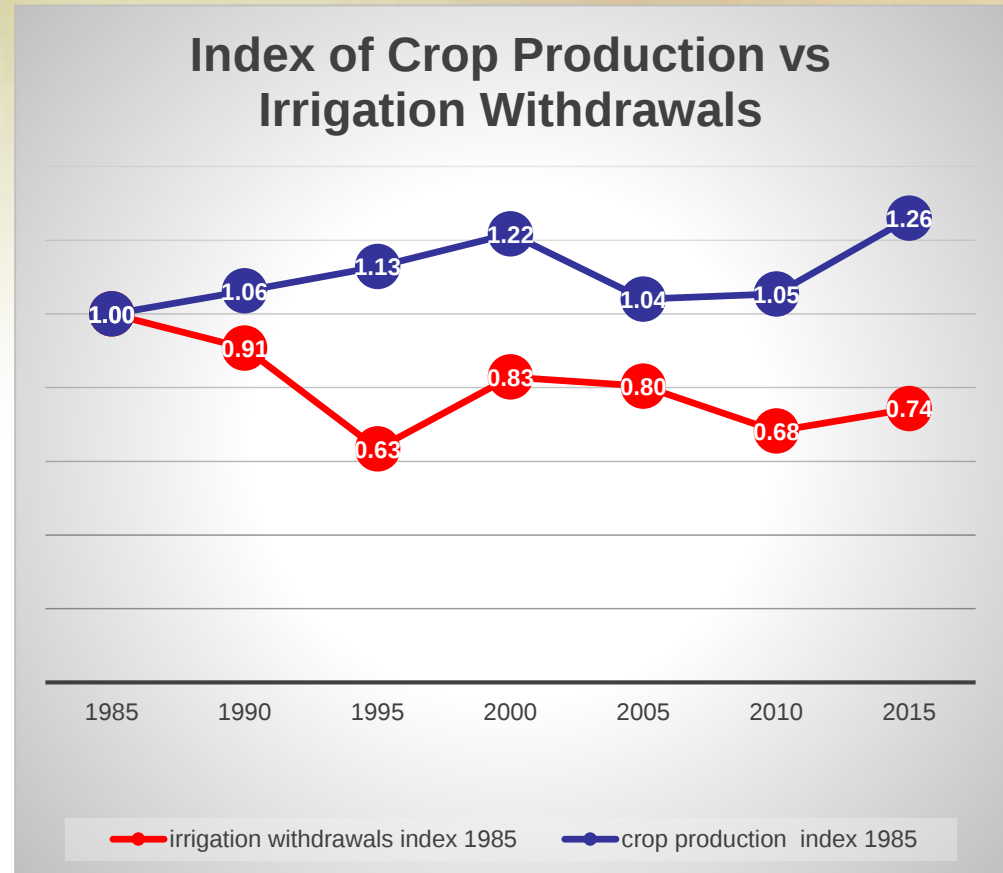
% Growth of total water withdrawals



CROP PRODUCTION DECOUPLED FROM WATER

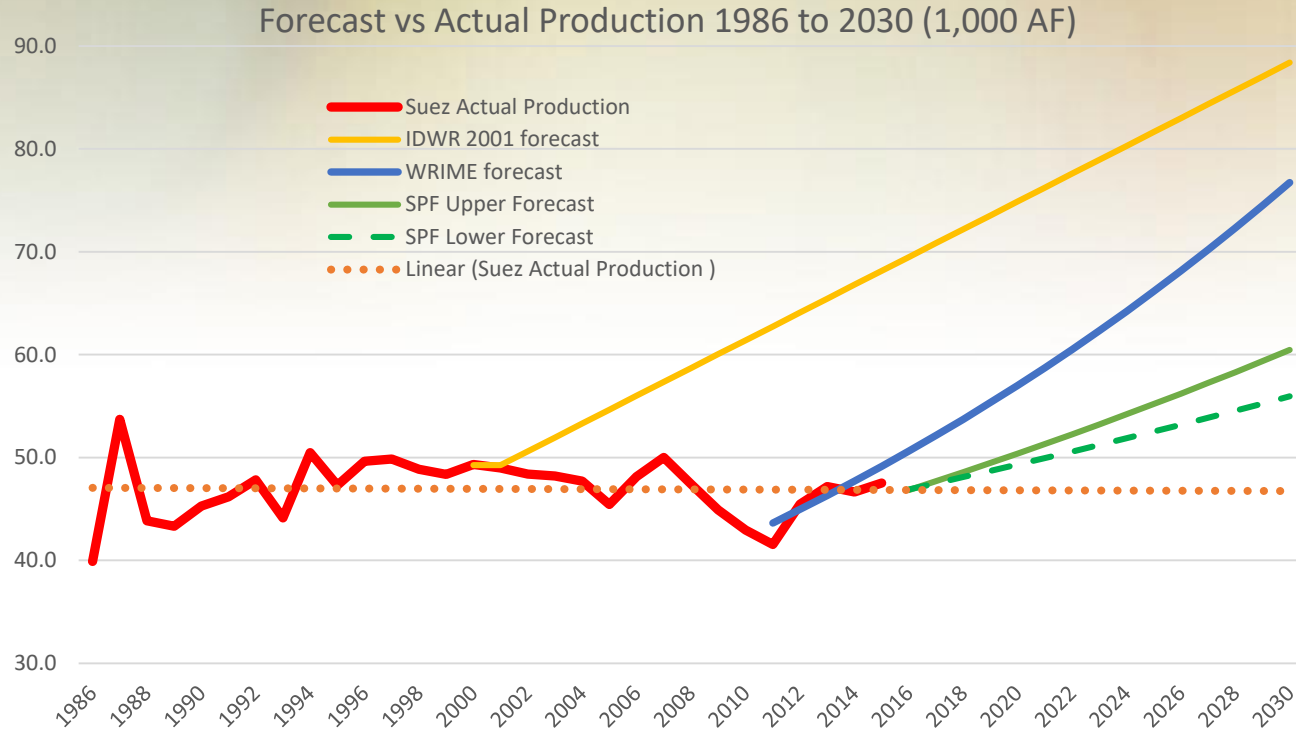
Crops increased 26%

Irrigation decreased
26%

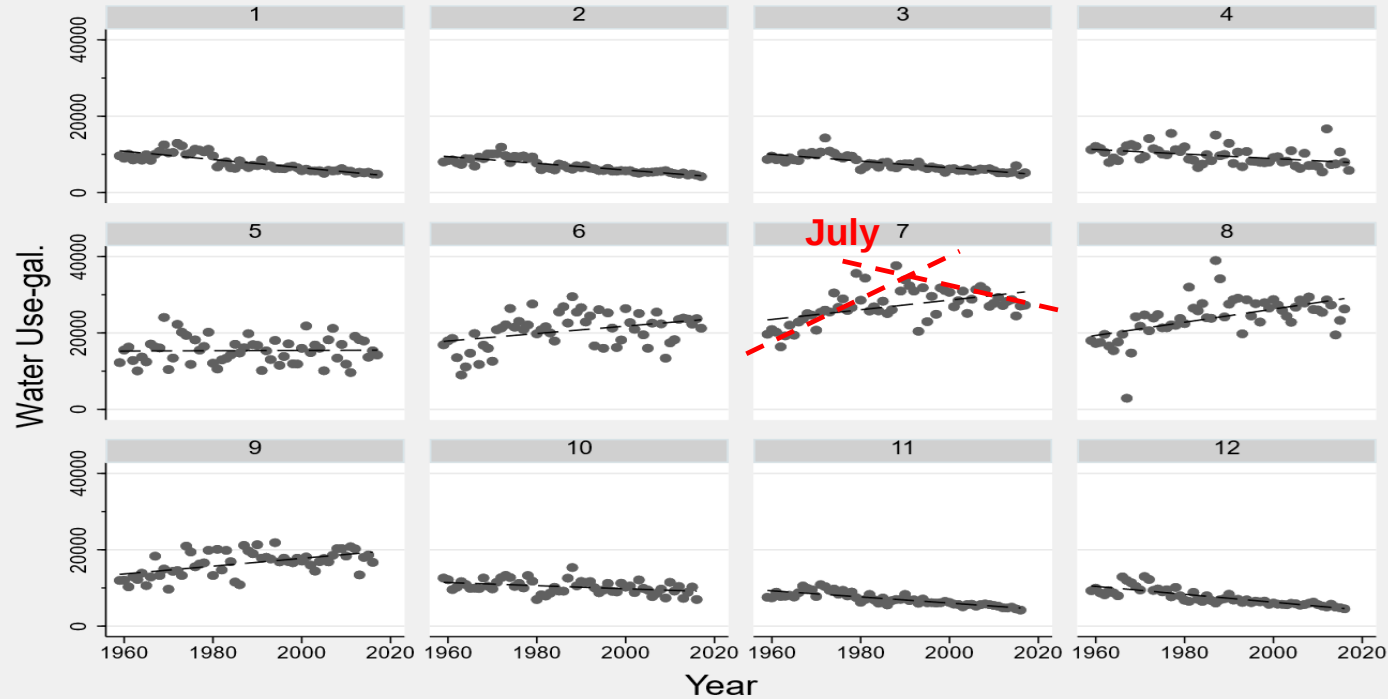


M&I Decoupled From Water

Suez DCM&I water use has been level for 30 years



Idaho Falls per capita per month water use



Graphs by month

Thanks for the Invitation