

Agriculture

Overview

Agriculture production and income was strong in Utah and in the United States in 2005. The value of sales in 2005 and 2006 will likely be somewhat lower than in 2004, but agriculture will still be a major contributor to the national and state economies. Cattle and dairy production are the key sectors of agricultural production in Utah; these two sectors will provide stability to agriculture in 2006. However, some of the non-traditional agriculture sectors have shown strong growth in the last few years. This growth is expected to continue and will make Utah's agriculture sector more diverse.

National Perspective

Farmers and ranchers in the United States continued to provide safe and nutritious food for American consumers. The efficiency at which this is accomplished allows American consumers to spend about 10% of their disposable income on food, the lowest percentage of any nation. This has also occurred during a period when food safety issues have received considerable attention, and when storms have devastated production in the southern states.

Net returns from farming, in total and per farm, were at all time highs in 2004. Net farm income reached \$382.5 million in 2004, but was expected to decline slightly in 2005 and 2006 as a result of increased costs. The increased price of energy will have a larger impact on certain producers, but will also provide some grain producers with new opportunities to substitute the use of fossil fuels for bio-fuels such as ethanol. These changes will have more of a positive effect on mid-west grain producers than to most producers in the inter-mountain west. With normal weather conditions, receipts should increase, offsetting increased costs. As a result, net farm income in 2006 may near the record levels of 2004 and 2005.

Utah perspective

The strong growth in agricultural production that occurred nationally also occurred in Utah. Cash receipts rose sharply in 2004, and increased further in 2005. As a result, net farm income in Utah in 2004 and 2005 was near the all time record set in 2001. These results occurred from record level prices for beef and milk, and the above average rainfall that occurred during the 2004 to 2005 crop year in most areas of the state. The moisture was especially beneficial to the dry land grain producers and to the livestock producers who depend heavily on the use of the state's rangelands.

When it appeared that rain and snow fall would be plentiful in the 2005 crop year, farmers in Utah adjusted production of certain crops. The estimated acreage of barley harvested for grain, which requires little water, declined by about 25%. The acreage of corn harvested for grain, which is dependent on late summer water, increased by about 50%. The amount of winter wheat, which is not irrigated, increased by 10,000 acres in 2005, increasing production by nearly a million bushels. This revealed that the recent drought primarily affected non-irrigated lands.

The cold, wet and late spring of 2005 did not help all producers in Utah. Some lands did not dry out until early summer, and some producers were forced to leave lands fallow or to plant different types and varieties of crops. Nonetheless, the rains were welcomed by essentially all farmers and ranchers in Utah. A general increase in crop production coupled with higher than usual profits for livestock should result in increased income in 2005 and 2006.

Agricultural production in Utah is increasingly being dominated by the production of livestock and livestock products, which is closely tied to Utah's agricultural lands. Most of the crops grown in Utah are used directly by the livestock sector, only a small percentage of the hay, corn silage and feed grains are sold. As a result, using cash receipts to measure the relative importance of the crop and livestock sectors tends to favor livestock production. Still, experts have projected a double digit increase in red meat production in Utah.

Some sectors of animal agriculture in Utah are not closely tied to the productivity of Utah's crop lands. Corn and soybean meal, which are key feeds used by the hog and turkey industries, are primarily shipped to Utah from the mid-west. The dairy industry also depends, to some degree, on the importation of concentrates.

Regional/Sector

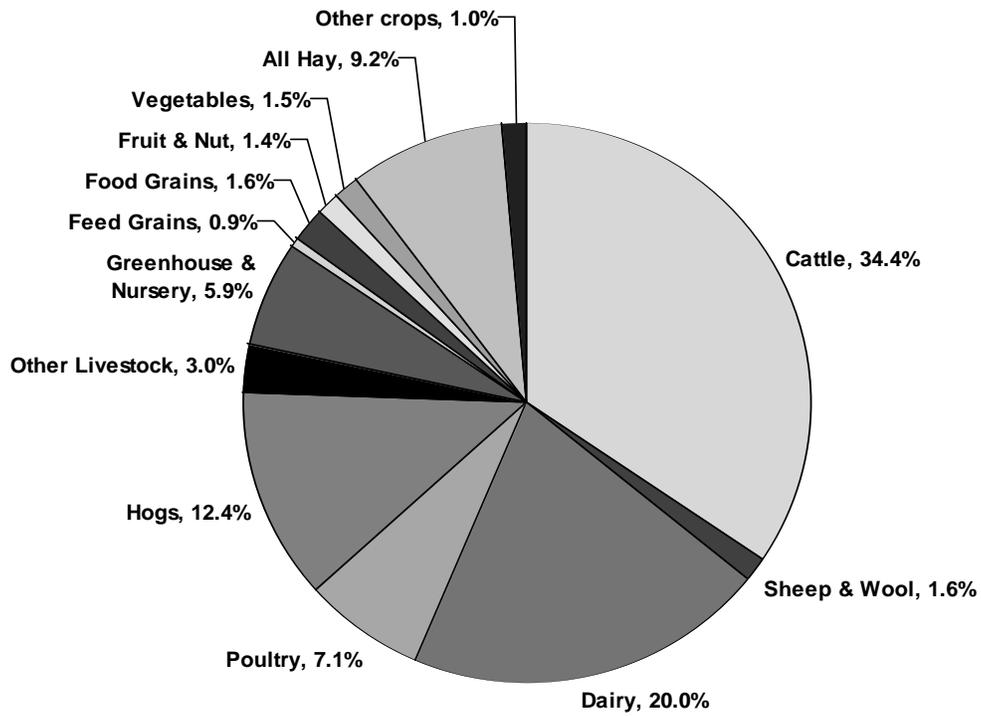
A significant change in the dairy industry occurred on April 1st, 2004 when milk marketing order 135 (primarily Utah, southern Idaho and eastern Oregon) was dissolved. The dissolution of this order meant that milk prices received by dairy farmers would no longer be governed by federal order guidelines and that certain marketing information for the area would no longer be available. Processors have generally used pricing information and formulas used in existing orders, but there are greater differences in the prices paid by processors to producers since the order was eliminated.

The number of milk cows in Utah remained relatively stable in 2005. Most of the growth in the number of milk cows in Utah came from the expansion of existing operations. In 2005, several dairy operations within Utah had more than 2,500 cows. However, cow numbers are increasing in neighboring states. A bottling plant near Las Vegas, Gossner's swiss cheese plant near Burley, Idaho, and the largest cheddar cheese plant in North America near Clovis, New Mexico all started operation in 2005. This growth has the potential to affect milk production in Utah.

Circle Four farms plans to expand operations in 2006 by about 10,000 sows. This growth has helped Beaver County become the largest agriculture producing county in the state. It is also the reason why livestock production is such a large percent of total receipts in that county. With the planned expansion, Utah will be close to breaking into the top ten hog producing states in the nation.

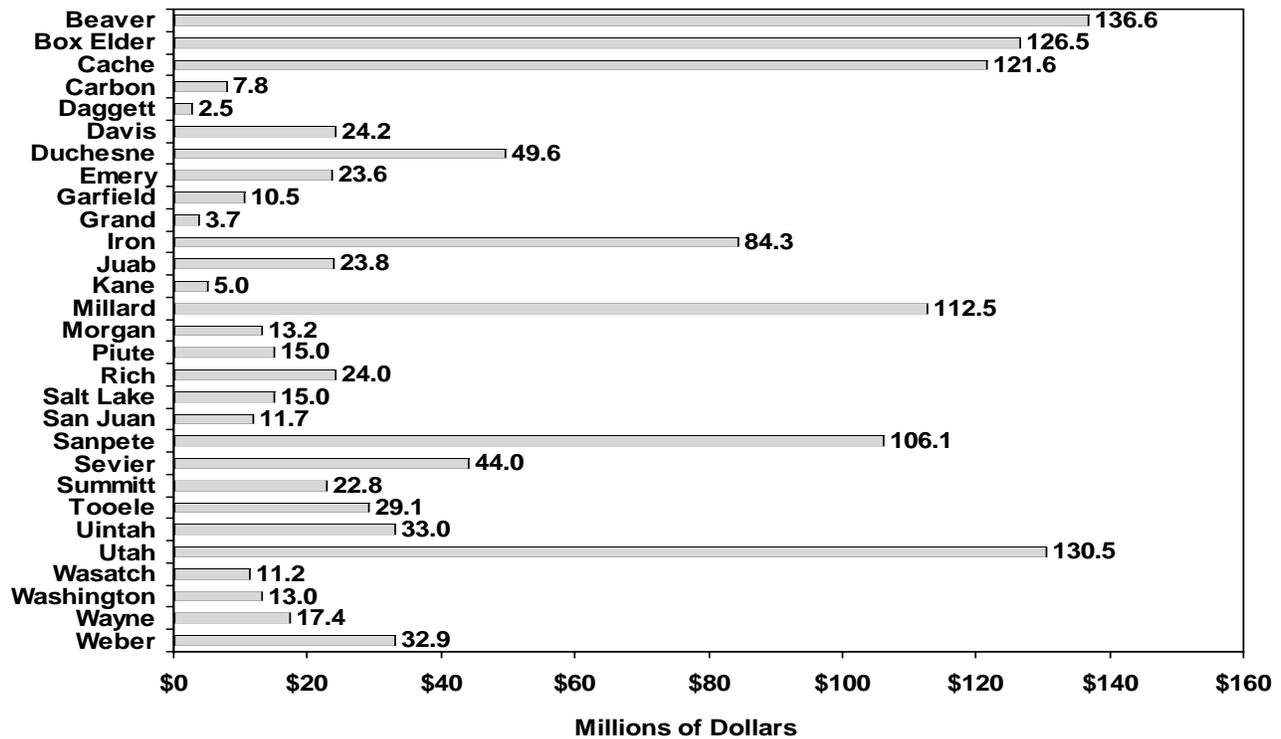
Some of the non-traditional agriculture sectors have shown significant growth in recent years. The value of mushroom production in Utah nearly doubled between 2002 and 2004. Cash receipts from the sale of mushrooms were larger than some of the traditional agricultural sectors in 2004. The floriculture industry has steadily grown to become a major segment of Utah agriculture, with sales exceeding total sales of all fruits and vegetables in 2004. It should also be noted that some non-traditional animal enterprises are relatively important in Utah. Utah ranked second in the nation for mink production, and has also become one of the leading trout producing states. However, as a share of total agricultural receipts, cattle and milk production remain the primary agricultural sectors in Utah.

Figure 58
Utah Cash Receipts by Commodity: 2004



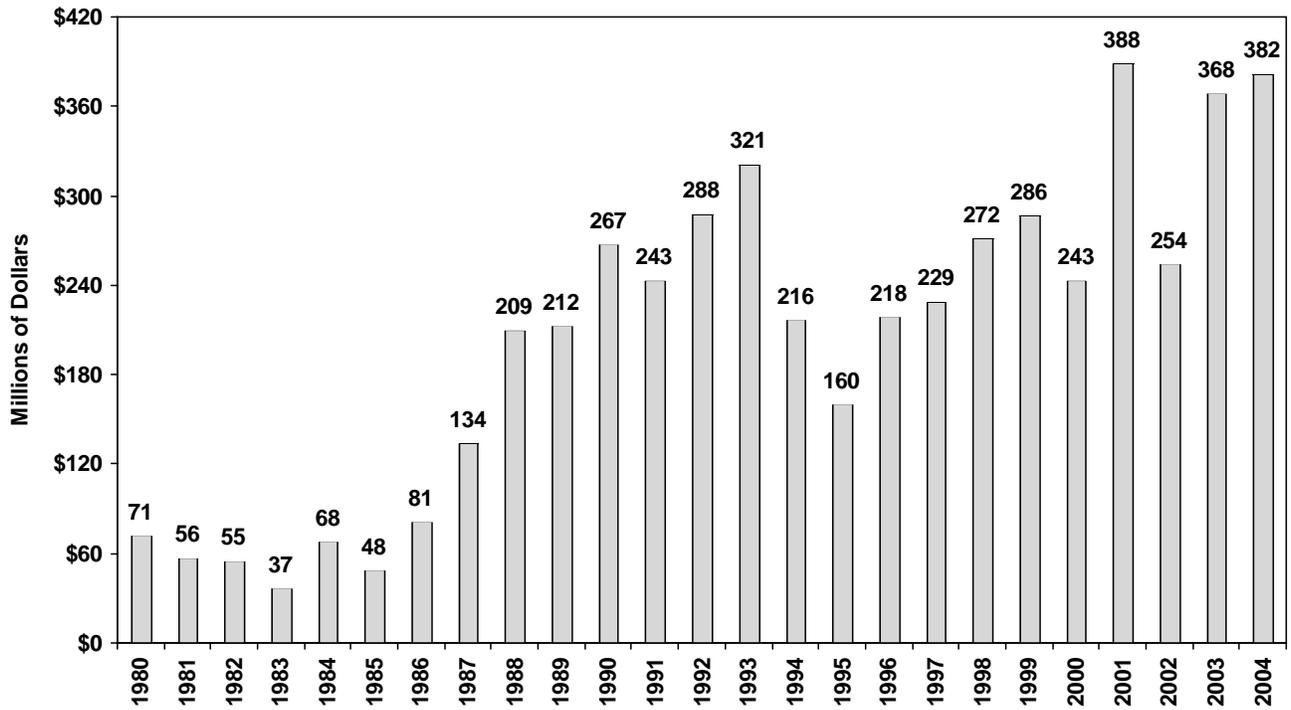
Source: Utah Agriculture Statistics

Figure 59
Farm Cash Receipts by County in Utah: 2004



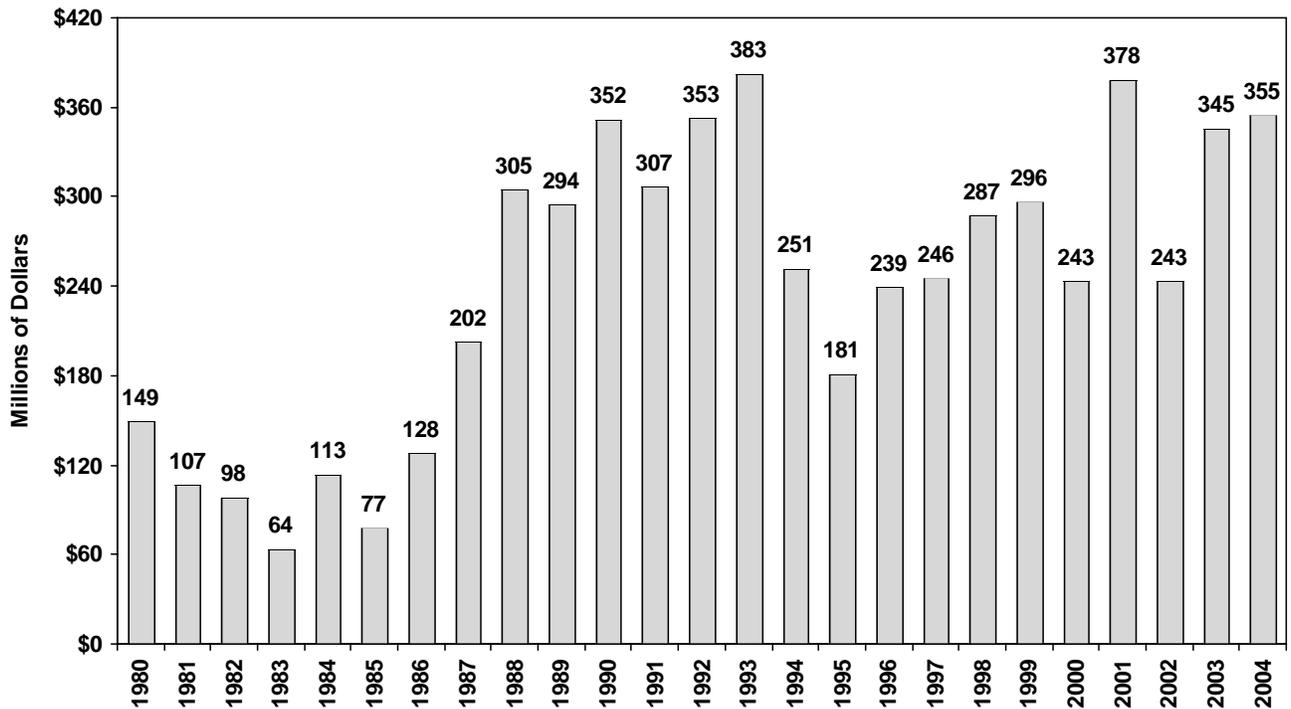
Source: Utah Agriculture Statistics

Figure 60
Net Farm Income in Utah



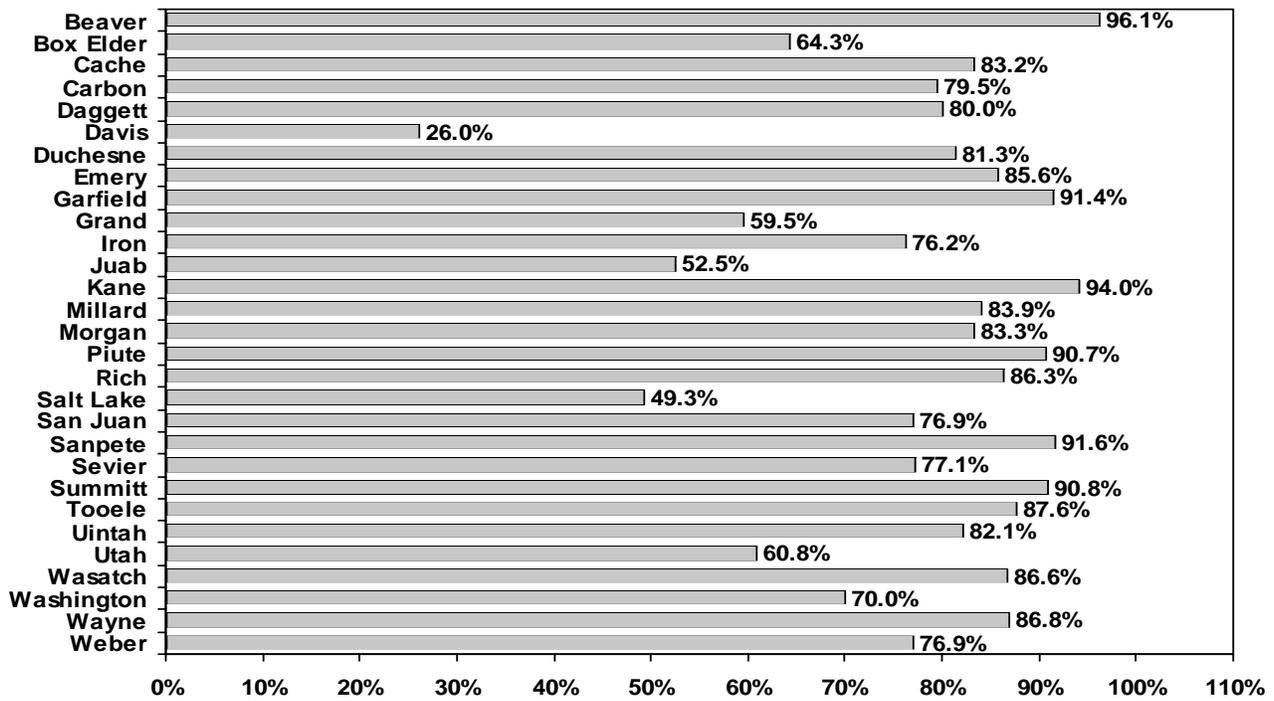
Source: United States Department of Agriculture

Figure 61
Inflation Adjusted Net Farm Income in Utah



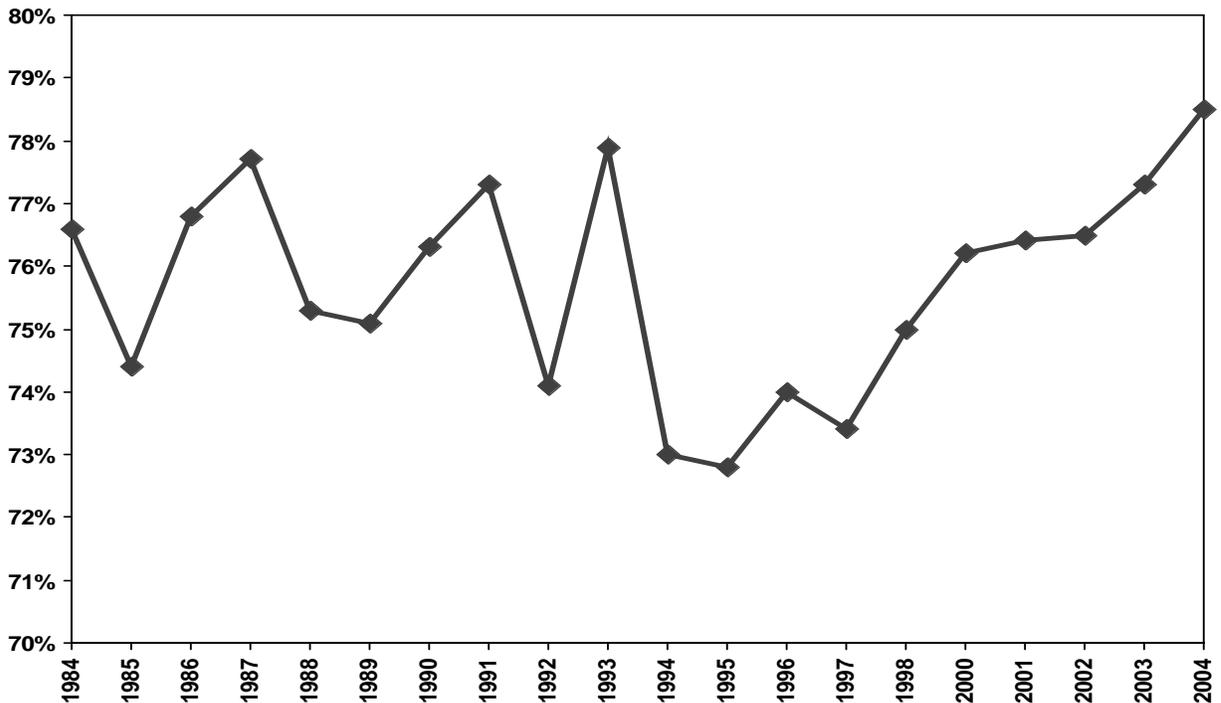
Source: United States Department of Agriculture

Figure 62
Livestock Products as a Percentage of Total Cash Receipts by County in Utah: 2004



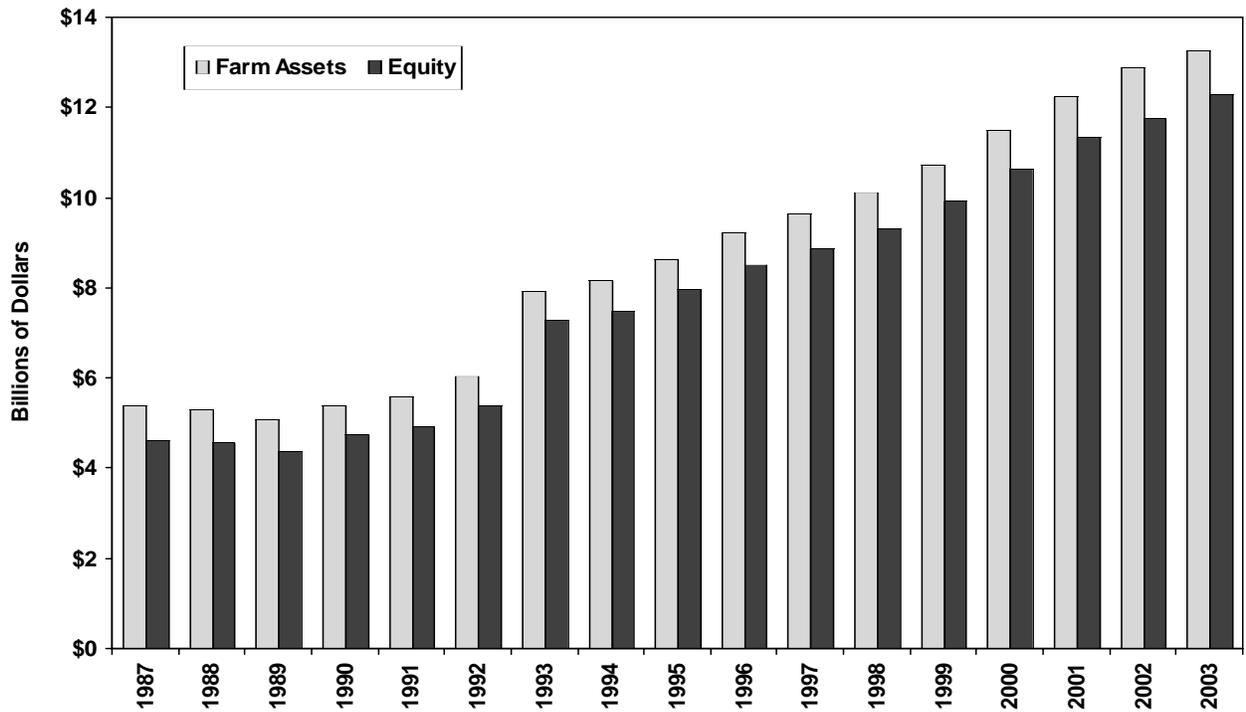
Source: United States Department of Agriculture

Figure 63
Livestock Receipts as a Percent of Total Cash Receipts in Utah



Source: United States Department of Agriculture

Figure 64
Farm Assets and Equity in Utah



Source: United States Department of Agriculture

Table 68
Percent of Agricultural Receipts by Sector

Sector	1998	1999	2000	2001	2002	2003	2004
Cattle	31.0	32.8	34.5	33.5	33.4	35.2	34.4
Sheep & Wool	2.0	1.9	2.1	1.5	1.8	1.8	1.6
Dairy	23.6	23.2	18.4	21.2	18.2	17.0	20.0
Poultry	7.2	7.7	8.0	7.9	9.7	9.0	7.1
Hogs	5.0	5.7	9.7	9.5	9.9	11.6	12.4
Other livestock	4.9	3.1	3.4	2.8	3.2	2.7	3.0
Greenhouse & Nursery	5.9	6.6	5.9	5.6	6.5	6.3	5.9
Feed grains	2.0	1.8	1.5	1.2	1.1	1.0	0.9
Food grains	2.6	2.3	1.9	1.7	1.7	1.5	1.6
Fruit & Nut	1.5	1.0	1.8	0.9	0.6	1.6	1.4
Vegetables	2.5	2.1	2.1	2.8	1.7	1.7	1.5
All Hay	10.8	10.4	9.7	11.4	11.4	9.7	9.2
Other crops	1.0	1.4	1.0	0.5	0.8	0.9	1.0

Source: Utah Agricultural Statistics

Table 69

Cash Receipts by Source in Utah Counties (Millions of Dollars)

COUNTY	1990			1992			1994			1996			1998		
	Livestock	Crops	Total												
Beaver	17.1	3.9	21.0	17.8	2.8	20.6	18.5	4.3	22.8	24.7	4.3	29.0	63.3	5.8	69.1
Box Elder	47.3	26.4	73.7	46.0	30.5	76.5	49.6	35.4	85.0	55.8	39.4	95.2	61.9	37.3	99.2
Cache	78.6	13.4	92.0	80.0	13.7	93.7	83.1	17.4	100.5	86.2	22.1	108.3	93.2	17.8	111.0
Carbon	4.3	0.6	4.9	3.5	0.5	4.0	4.0	0.7	4.7	4.2	0.8	5.0	4.8	1.1	5.9
Daggett	1.7	0.2	1.9	1.0	0.3	1.3	1.0	0.5	1.5	0.9	0.4	1.3	1.9	0.6	2.5
Davis	12.4	22.4	34.8	11.8	29.7	41.5	12.6	25.8	38.4	14.5	22.2	36.7	9.8	29.1	38.9
Duchesne	26.0	4.4	30.4	25.3	3.5	28.8	26.7	6.3	33.0	29.5	6.5	36.0	30.1	8.0	38.1
Emery	10.6	2.0	12.6	10.8	1.5	12.3	10.4	2.3	12.7	11.0	2.0	13.0	11.8	3.4	15.2
Garfield	7.7	1.2	8.9	7.0	0.9	7.9	6.5	1.4	7.9	7.0	1.2	8.2	8.3	1.8	10.1
Grand	2.1	0.6	2.7	1.6	0.7	2.3	1.6	0.8	2.4	1.5	0.5	2.0	6.2	1.1	7.3
Iron	12.1	9.7	21.8	10.5	10.5	21.0	11.5	12.5	24.0	12.1	10.8	22.9	17.8	12.8	30.6
Juab	5.3	2.9	8.2	5.1	2.7	7.8	5.4	3.9	9.3	5.1	4.6	9.7	10.8	4.0	14.8
Kane	4.0	0.4	4.4	3.7	0.4	4.1	4.3	0.6	4.9	3.9	0.5	4.4	4.3	0.5	4.8
Millard	27.8	21.5	49.3	24.4	16.5	40.9	24.5	21.0	45.5	35.8	24.2	60.0	49.9	22.2	72.1
Morgan	11.5	1.3	12.8	10.9	1.0	11.9	10.5	1.4	11.9	12.3	1.7	14.0	13.1	1.9	15.0
Piute	7.0	1.0	8.0	6.4	0.9	7.3	7.7	1.2	8.9	8.2	1.1	9.3	9.3	1.6	10.9
Rich	17.1	1.7	18.8	16.7	2.2	18.9	16.4	4.0	20.4	16.6	3.6	20.2	19.7	4.4	24.1
Salt Lake	23.1	9.0	32.1	24.6	13.7	38.3	33.0	13.0	46.0	37.9	11.8	49.7	17.5	11.2	28.7
San Juan	8.1	1.6	9.7	7.0	2.7	9.7	9.5	3.5	13.0	7.8	2.0	9.8	9.0	7.1	16.1
Sanpete	75.7	4.7	80.4	70.7	3.8	74.5	70.2	6.5	76.7	74.3	6.7	81.0	77.3	9.2	86.5
Sevier	24.1	4.2	28.3	25.4	3.2	28.6	30.5	5.0	35.5	31.0	5.4	36.4	26.7	5.9	32.6
Summit	15.6	0.9	16.5	13.5	0.9	14.4	15.1	1.4	16.5	14.5	1.2	15.7	19.6	2.0	21.6
Tooele	8.7	2.9	11.6	7.4	3.0	10.4	7.5	3.4	10.9	8.2	3.7	11.9	10.5	3.1	13.6
Uintah	20.2	3.9	24.1	19.2	3.2	22.4	21.2	4.3	25.5	17.3	4.9	22.2	25.0	6.8	31.8
Utah	56.5	22.5	79.0	58.7	32.0	90.7	61.6	29.2	90.8	70.2	30.8	101.0	74.6	30.5	105.1
Wasatch	9.9	1.3	11.2	9.5	1.3	10.8	9.0	1.5	10.5	9.4	1.6	11.0	8.4	1.6	10.0
Washington	7.6	6.0	13.6	6.9	4.3	11.2	7.7	4.8	12.5	6.9	4.0	10.9	9.5	4.0	13.5
Wayne	8.6	1.5	10.1	8.7	1.2	9.9	8.0	1.5	9.5	11.0	1.8	12.8	12.5	2.1	14.6
Weber	25.4	6.6	32.0	23.8	7.3	31.1	30.0	7.7	37.7	28.3	7.2	35.5	29.3	7.9	37.2
Total	576.1	178.7	754.8	557.9	194.9	752.8	597.6	221.3	818.9	646.1	227.0	873.1	736.1	244.8	980.9

COUNTY	2000			2001			2002			2003			2004		
	Livestock	Crops	Total												
Beaver	118.7	5.7	124.4	110.8	7.2	118.0	107.2	7.2	114.4	114.4	5.4	119.8	131.3	5.3	136.6
Box Elder	67.4	32.6	100.0	76.2	33.9	110.1	69.6	32.7	102.3	74.7	44.1	118.8	81.3	45.2	126.5
Cache	83.4	16.7	100.1	100.7	17.1	117.8	83.9	17.3	101.2	86.6	19.1	105.7	101.2	20.4	121.6
Carbon	4.9	1.1	6.0	4.9	1.2	6.1	5.0	1.1	6.1	5.7	1.5	7.2	6.2	1.6	7.8
Daggett	1.6	0.5	2.1	1.8	0.7	2.5	1.8	0.5	2.3	1.9	0.3	2.2	2.0	0.5	2.5
Davis	5.0	30.1	35.1	6.0	32.6	38.6	5.4	32.3	37.7	5.8	18.3	24.1	6.3	17.9	24.2
Duchesne	32.5	7.7	40.2	34.5	9.5	44.0	31.1	8.7	39.8	34.8	8.8	43.6	40.3	9.3	49.6
Emery	12.2	3.2	15.4	12.9	3.7	16.6	12.3	3.4	15.7	19.5	3.4	22.9	20.2	3.4	23.6
Garfield	8.5	1.7	10.2	8.6	2.2	10.8	7.3	1.9	9.2	7.9	1.0	8.9	9.6	0.9	10.5
Grand	3.7	1.2	4.9	3.4	1.3	4.7	3.7	1.2	4.9	1.5	1.4	2.9	2.2	1.5	3.7
Iron	16.8	13.3	30.1	30.1	16.7	46.8	29.0	16.1	45.1	54.5	19.1	73.6	64.2	20.1	84.3
Juab	8.2	3.3	11.5	8.8	7.6	16.4	8.4	7.3	15.7	10.3	7.6	17.9	12.5	11.3	23.8
Kane	4.1	0.5	4.6	4.3	0.6	4.9	3.9	0.6	4.5	4.3	0.3	4.6	4.7	0.3	5.0
Millard	55.5	16.3	71.8	66.4	18.5	84.9	68.3	17.0	85.3	82.8	18.8	101.6	94.4	18.1	112.5
Morgan	10.8	1.8	12.6	12.2	1.9	14.1	9.8	1.8	11.6	9.5	2.0	11.5	11.0	2.2	13.2
Piute	8.4	1.3	9.7	9.3	1.5	10.8	10.7	1.3	12.0	11.9	1.7	13.6	13.6	1.4	15.0
Rich	21.4	3.8	25.2	22.2	4.4	26.6	19.2	3.6	22.8	19.2	3.0	22.2	20.7	3.3	24.0
Salt Lake	15.9	12.5	28.4	16.3	13.0	29.3	15.3	13.2	28.5	7.0	7.8	14.8	7.4	7.6	15.0
San Juan	7.9	5.0	12.9	8.6	3.6	12.2	7.3	3.1	10.4	7.9	1.2	9.1	9.0	2.7	11.7
Sanpete	85.3	7.9	93.2	89.3	9.7	99.0	101.6	8.1	109.7	100.1	7.9	108.0	97.2	8.9	106.1
Sevier	30.7	6.0	36.7	34.9	7.1	42.0	28.8	6.7	35.5	29.6	10.7	40.3	33.9	10.1	44.0
Summit	17.5	1.8	19.3	20.9	2.2	23.1	20.0	2.1	22.1	20.1	2.0	22.1	20.7	2.1	22.8
Tooele	12.2	3.1	15.3	13.3	3.5	16.8	12.5	3.3	15.8	24.6	3.4	28.0	25.5	3.6	29.1
Uintah	22.9	6.2	29.1	26.6	7.9	34.5	22.3	6.7	29.0	25.7	5.5	31.2	27.1	5.9	33.0
Utah	65.5	41.3	106.8	73.5	37.9	111.4	72.9	33.8	106.7	65.9	49.9	115.8	79.4	51.1	130.5
Wasatch	6.5	1.9	8.4	6.8	2.2	9.0	7.2	1.9	9.1	7.5	1.4	8.9	9.7	1.5	11.2
Washington	8.1	3.7	11.8	9.4	3.9	13.3	8.6	3.8	12.4	8.4	3.6	12.0	9.1	3.9	13.0
Wayne	12.7	2.2	14.9	13.6	2.7	16.3	13.0	2.5	15.5	15.0	2.1	17.1	15.1	2.3	17.4
Weber	21.9	8.5	30.4	26.9	9.0	35.9	21.9	8.6	30.5	22.4	7.2	29.6	25.3	7.6	32.9
Total	770.2	240.9	1,011.1	853.3	263.1	1,116.4	807.8	247.8	1,055.6	879.7	258.4	1,138.1	983.1	270.0	1,253.1

Source: Utah Agricultural Statistics