

Crossroads Resource Center

7415 Humboldt Ave. S. / Minneapolis, Minnesota 55423 / 612.869.8664
kmeter@crcworks.org www.crcworks.org

Tools for Community Self-determination

Western Minnesota Local Farm & Food Economy

Highlights of a data compilation
by Ken Meter, Crossroads Resource Center (Minneapolis) for

Land Stewardship Project June 30, 2008

*Covers Big Stone, Chippewa, Douglas, Grant, Kandiyohi, Lac Qui Parle,
Pope, Swift, Traverse & Yellow Medicine Counties in Minnesota*

Western Minnesota region (Bureau of Economic Analysis, 2006)

141,154 residents receive \$4.4 billion of income annually. The two largest sources of personal income are capital income (interest, rent or dividend income) and transfer payments (from government programs), which account for over 40% of all income. Residents pay \$120 million per year in taxes.

The region's farms (Agricultural Census, 2002)

Land:

- 8,291 farms. This is 10% of Minnesota farms.
- 2,224 (27%) of these are 1,000 acres or more in size.
- 1,808 (22%) farms are less than 50 acres.
- Average farm size is 435 acres, larger than the state average of 340 acres.
- The region has 3.6 million acres of land in farms.
- This amounts to 13% of Minnesota's farmland.
- 2.8 million acres of harvested cropland.
- 280 farms (3.4%) have a total of 81,000 acres of irrigated land.
- This is 18% of Minnesota's irrigated acreage.
- Average value of land and buildings per farm is \$551,000. This is slightly more than the state average of \$517,000.
- Of the 3.2 million acres of cropland in the region, 2.8 million (88%) is harvested crop land, including 41,472 acres of pastureland.
- 265,000 acres were idled or planted to cover crops in 2002, neither harvested nor grazed.
- 196,000 acres were set aside under conservation or wetland reserve programs in 2002.
- On 19,000 acres, crops failed or were abandoned.
- The region has 63,000 acres of rural woodland.
- 183,000 acres of land are devoted to house lots, roads, and ponds, or are considered "waste" land.

Sales:

- \$1.1 billion of crops and livestock sold (2002).
- \$680 million of crops sold (62% of sales).
- \$414 million of livestock and products sold (38% of sales).
- 4,861 farms sold crops in 2002 — an 11% decline in the number of farms selling crops, from 5,491 in 1997.
- Crop sales rose 9% from \$625 million in 1997 to \$680 million in 2002.
- 4,501 farms (54)% sold grain, for total sales of \$560 million (82% of crop sales).
- The number of farms/ranches selling livestock, poultry and related products fell 22% from 1997 to 2002 (3,120 to 2,422), while sales of livestock products rose 3%.
- 3,688 (44%) of the region's farms sold less than \$10,000 of farm products in 2002, selling a total of \$3.7 million — 0.3% of the region's farm sales.
- 2,407 farms (29%) sold more than \$100,000 of products, with total sales of \$991 million, or 91% of the region's farm sales.
- 31% of region farms (2,600 of 8,291) reported net losses in 2002.

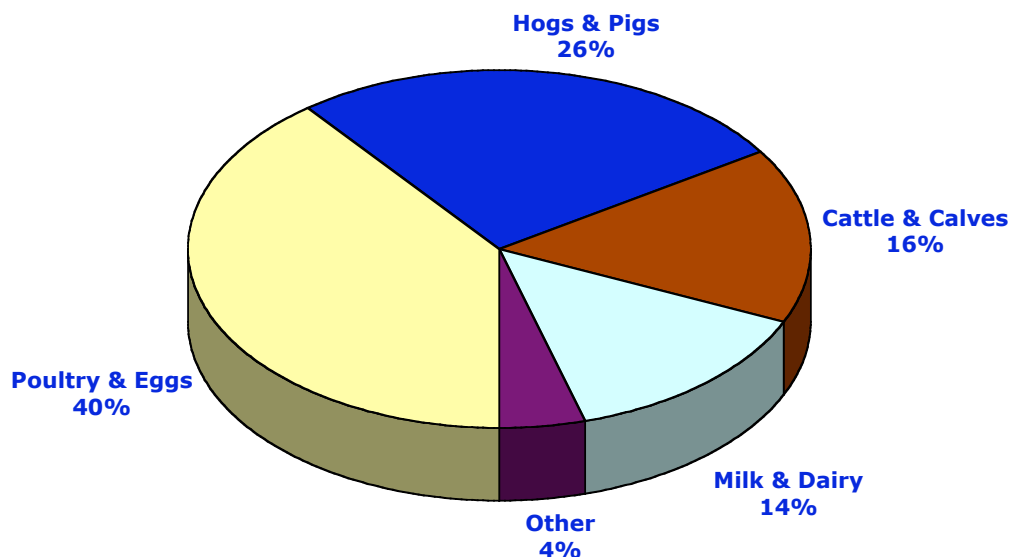
Cattle & Dairy:

- 1,186 ranches and farms hold an inventory of 169,000 cattle.
- 1,637 farms sold 102,000 cattle in 2002, for total sales of \$65 million.
- This was a decline in sales of 2% from the \$67 million sold in 1997 by 2,296 farms and ranches (the number of farms and ranches decreased 29%).
- Dairy sales fell 22% from \$74 million in 1997 to \$58 million in 2002.
- The number of farms selling milk or dairy products fell 39% from 741 to 449 over the same period.
- 469 farms raise 32,000 milk cows.
- 1,138 farms sold \$53 million of forage crops in 2002 (hay, etc.).

Other livestock & animal products:

- 457 farms hold an inventory of 512,000 hogs and pigs.
- The region's farmers sold \$1.3 million hogs and pigs.
- Hog and pig sales increased 9% from \$101 million in 1997 to \$109 million in 2002.
- The number of farms selling hogs and pigs fell 27%, from 704 to 511, over the same period.
- 202 farms hold an inventory of 17,000 sheep and lambs.
- The number of farms selling poultry and products rose 22% (138 to 168), while sales rose 27% (\$129 million to \$163 million), from 1997 to 2002.
- 68 poultry farms hold an inventory of 148,000 birds.
- 133 farms sell eggs from an inventory of 3,778 laying hens.

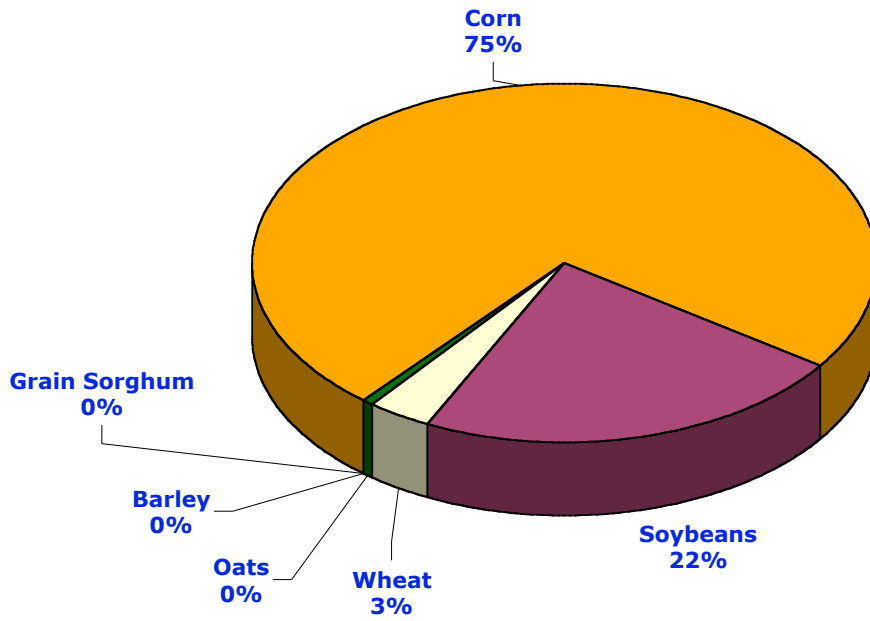
Livestock sales in Western Minnesota, 2002



Grains & Edible Beans, etc.

- 3,851 farms raised 171 million bushels of corn on 1.1 million acres.
- 4,071 farms produced 52 million bushels of soybeans on 1.2 million acres.
- 1,531 wheat producers used 192,000 acres to raise 7.9 million bushels of wheat.
- 448,000 hundredweight of edible dry beans were raised by 103 farms on 21,000 acres.
- 1.5 tons of sugarbeets were produced on 73,000 acres by 229 farms.
- 456 farms raised 954,000 bushels of oats on 15,674 acres.
- 57 farms raised 211,000 bushels of barley on 4,330 acres.
- Four farms produced 2,788 bushels of grain sorghum on 56 acres.
- Four farms raised 474,000 pounds of sunflower seed on 338 acres.

Bushels of grain produced in Western Minnesota, 2002



Vegetables & Melons (some farmers state that Ag Census data does not fully represent vegetable production):

- 97 farms sold \$7.2 million of vegetables on at least 7,816 acres (data for some counties was suppressed by USDA).
- 93% of this acreage was devoted to vegetables for processing, with only 52 acres for sale as fresh product.
- Kandiyohi and Pope Counties have most of this vegetable production.
- Nine farms raised three acres of potatoes, with a total yield of 45 cwt.

The following vegetables are raised commercially in the region:

Product	# farms
Asparagus	7
Beans, Lima	4
Beans, Snap	3
Beets	6
Cabbage, Head	2
Cantaloupes	2
Carrots	4
Corn, sweet	57
Cucumbers & Pickles	4
Garlic	1
Lettuce	3
Onions, Dry	5
Onions, Green	27
Peas, Green	22
Peas, Snow & Sugar	2
Peppers, Bell	6
Peppers, Chili	3
Pumpkins	19
Radishes	3
Rhubarb	3
Squash	13
Tomatoes	8
Turnip Greens	1
Turnips	2
Vegetables, Other	1
Watermelons	1

Fruits (some farmers state that Ag Census data does not fully represent fruit production):

- The region has 32 farms with a total of 77 acres of orchards.
- The number of farms selling fruit and nuts increased 61% from 23 to 37, while sales rose 440% from \$25,000 to \$135,000, from 1997 to 2002.

Farms selling fruits, nuts and berries in Western Minnesota:

Product	# farms
Apples	27
Apricots	1
Blackberries	1
Blueberries	1
Cherries, sweet	1
Cherries, tart	3
Grapes	9
Hazelnuts (Filberts)	1
Other fruits	1
Peaches	1
Pears	4
Plums	7
Raspberries	9
Strawberries	7

Nursery and Greenhouse plants

- 29 farms sold \$309,000 of nursery and greenhouse crops.
- 14 farms sold \$56,000 Christmas trees.

Direct and organic sales:

- 227 farms sell \$704,000 of food directly to consumers. This is a 19% rise in the number of farms (191 in 1997) selling direct, and a 22% increase in direct sales, from \$577,000 in 1997 to 2002.
- Western Minnesota farmers sell 6% of the state's direct sales.
- 19 region farms sold \$332,000 of organic foods raised on 362 acres.
- This amounts to 4% of Minnesota's organic sales.

County and State Highlights (Agricultural Census 2002)

Big Stone County

- Much agricultural data for Big Stone County is not reported by USDA to protect confidentiality.
- Agricultural sales in 2002 amount to \$58 million from 446 farms.
- Hog and pig sales total \$7 million.
- Cattle and calf sales total \$2 million.
- Ranks 8th in Minnesota for bee colonies.
- Acreage devoted to corn and soybeans totals 184,000.
- 35,000 acres are planted to wheat.

Chippewa County

- Agricultural sales total \$103 million.
- Ranks 8th in Minnesota for forage crop sales, with \$22 million.
- Ranks 8th in state — and 16th in U.S. — for sugar beet acreage, with 29,000 acres.
- Grain sales total \$65 million.
- Hog and pig sales total \$7 million.
- Cattle and calf sales total \$3.7 million.
- Poultry and egg sales total \$3 million.
- Dairy sales total \$1 million.

Douglas County

- Agricultural sales total \$53 million.
- Grain sales total \$23 million.
- Milk and dairy sales total \$12 million.
- Cattle and calf sales total \$6.8 million.
- Sales of hogs and pigs total \$2.5 million.
- Forage crop sales total \$1.7 million.
- Ranks 2nd in Minnesota — and 5th in U.S. — for elk production.
- 105,000 acres are devoted to corn and soybean production.
- 25,000 acres are devoted to forage crops.
- Wheat is raised on 17,000 acres.

Grant County

- Agricultural sales total \$69 million.
- Grain sales total \$54 million.
- \$8.7 million of forage crops are sold.
- Hog and pig sales total \$3 million.
- Cattle and calf sales total \$1.6 million.
- Milk and dairy sales total \$1.3 million.
- Ranks 3rd in Minnesota for sheep and goat sales, with \$654,000, and an inventory of 3,436.
- Corn and soybeans are planted on 187,000 acres.
- Wheat is raised on 43,000 acres.
- Ranks 19th in Minnesota for sugar beet acreage, with 11,000 acres.

Kandiyohi County

- Agricultural sales total \$231 million, fourth largest in Minnesota.
- Ranks 2nd in Minnesota for sales of livestock and products, with \$148 million.
- Grain sales total \$68 million.
- Ranks first in state for poultry sales, with \$107 million.
- Ranks second in Minnesota for aquaculture sales, with \$1.2 million.
- Ranks 5th in state for sheep and goat sales, with 619,000 and an inventory of 4,372.
- Ranks ninth in Minnesota for sales of forage crops, with \$12 million.
- Sales of hogs and pigs total \$18 million.
- Milk and dairy sales total \$12 million.
- Cattle and calf sales total \$8 million.
- Ranks first in Minnesota, and 4th in U.S., for inventory of turkeys, with 2.2 million.
- Ranks seventh in state for broiler inventory, but the number of broiler hens is not reported by USDA.
- 253,000 acres are planted in corn and soybeans.
- Forage crops are raised on 21,000 acres.
- Ranks 9th in Minnesota for sugar beet acreage, with 14,000.
- Ranks ninth in state for dry edible bean acreage, with 5,000.

Lac Qui Parle County

- Agricultural sales total \$113 million.
- Grain sales total \$76 million — ranks 12th in state.
- Hog and pig sales total \$22 million.
- Cattle and calf sales total \$6 million.
- Milk and dairy sales total \$3.5 million.
- \$1.9 million of forage crops are sold.
- Ranks first in Minnesota for duck production.
- Ranks 12th in Minnesota for layer hen inventory.
- Inventory of hogs and pigs is 94,000.
- 319,000 acres are planted to corn and soybeans.
- Forage crops are raised on 15,000 acres.
- Wheat is raised on 12,000 acres.

Pope County

- Agricultural sales total \$91 million.
- Grain sales total \$45 million.
- Milk and dairy sales total \$15 million.
- Cattle and calf sales total \$11 million.
- Hog and pig sales total \$8.6 million.
- \$3.9 million of vegetables and potatoes are sold.
- Forage crop sales total \$2.4 million.
- \$2.4 million of poultry and products are sold.
- Ranks 6th in Minnesota for number of bee colonies, with 4,082.
- Corn and soybeans are raised on 186,000 acres.
- Forage crops are planted on 23,000 acres.
- 11,000 acres are devoted to wheat.

Swift County

- Agricultural sales total \$158 million.
- Ranks fifth in state for poultry sales, with \$48 million.
- Ranks 10th in Minnesota for grain sales, with \$82 million.
- Cattle and calf sales total \$9.2 million.
- Milk and dairy sales total \$7.2 million.
- \$5.7 million of hogs and pigs are sold.
- Ranks 2nd in Minnesota — and 8th in U.S. — for turkey inventory, with 1.5 million.
- Ranks 3rd in Minnesota for goat inventory.
- 306,000 acres are devoted to corn and soybeans.
- Wheat is planted on 8,800 acres.
- Forage crops are raised on 8,700 acres.
- Ranks 8th in Minnesota for acreage in dry edible beans, with 5,025.

Traverse County

- Agricultural sales total \$80 million.
- Grain sales total \$64 million.
- Cattle and calf sales total \$4 million.
- Hog and pig sales total \$3 million.
- Corn and soybeans are planted on 244,000 acres.
- 44,000 acres are planted in wheat.
- Ranks 11th in Minnesota for sugar beet acreage, with 10,000 acres.
- Forage crops are planted on 6,600 acres.

Yellow Medicine County

- Agricultural sales total \$139 million.
- Ranks 9th in Minnesota for grain sales, with \$82 million.
- \$32 million of hogs and pigs sold.
- Cattle and calf sales total \$12 million.
- Milk and dairy sales total \$4 million.
- \$4 million of forage crops are sold.
- Ranks 4th in Minnesota for soybean acreage.
- Ranks 8th in state for corn acreage.
- Corn and soybeans are planted on 348,000 acres.
- 13,000 acres are devoted to wheat.
- Forage crops are planted on 10,000 acres.

State of Minnesota

- Sixth largest farm state in U.S., ranked on value of agricultural products sold.
- Ranks 5th in crops sold.
- Ranks 7th in livestock sold.
- Third in nation for grain sales, with \$3.5 billion.
- Ranks third in U.S. with \$1.4 billion in sales of hogs and pigs.
- Ranks 4th in U.S. for sales of forage and hay with \$471 million.
- Ranks 5th in nation for dairy sales, with \$931 million.
- Ninth in U.S. for poultry sales, with \$751 million.
- Ranks 9th in nation for Christmas tree sales, with \$11.9 million.

- Twelfth in nation for cattle and calf sales, with \$873 million.
- Holds largest inventory of turkeys in U.S. with 15.5 million.
- Ranks 3rd in nation for inventory of hogs and pigs, with 6.4 million.
- Ranks 9th in U.S. for laying chicken inventory with 11.9 million.
- First in U.S. for acreage devoted to sugar beets, with 476,617.
- Third in U.S. for soybean acreage, with 7 million.
- Fourth in U.S. for corn acreage, with 6.6 million.
- Ranks 7th in nation for wheat acreage, with 1.9 million.

Balance of Cash Receipts and Production Costs (BEA):

Western Minnesota farmers and ranchers sell \$1.1 billion of food commodities per year (fifteen-year averages covering 1992-2006), spending \$1.2 billion to raise them, for an average loss of \$122 million each year.

Overall, farm producers have lost \$1.8 billion in production costs since 1992. Cash flow from farm production has been negative each year since 1992, except for the year 1996. 31% of the region's farms and ranches reported net losses in 2002 (Ag Census). Western Minnesota farmers and ranchers earned \$332 million less by selling commodities in 1969 than they earned in 2006 (in 2006 dollars).

Farmers and ranchers earn another \$67 million per year of farm-related income — primarily custom work, and rental income (fifteen-year average for 1992-2006). Federal farm support payments average \$139 million per year for the entire region, for the same years (BEA).

The region's consumers:

Western Minnesota Region consumers spend \$334 million buying food each year, including \$189 million for home use. Most all of this food is produced outside the region. Only \$704,000 of food products (0.06% of farm cash receipts; one-tenth the national average) are sold by farmers directly to consumers.

Estimated change in net assets for all region households combined was a loss of \$182 million in 2006 alone (BLS). This net loss is nearly enough to pay for all food eaten at home by the region's consumers.

Farm and food economy summary:

Farmers lose \$120 million each year producing food commodities, while spending \$460 million buying inputs from external suppliers, for a total loss from farming of \$580 million to the region.

Meanwhile, consumers spend more than \$300 million buying food from outside. Thus, total loss to the region is \$880 million of potential wealth *each year*. This loss amounts to 80% of the value of all food commodities produced in these 10 counties of Western Minnesota — or 2.6 times the value of all foods consumed in the region.

Consumer markets
(Bureau of Labor Statistics data)

Western Minnesota Region: markets for food eaten at home (2006):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 43
Fruits & vegetables	31
Cereals and bakery products	25
Dairy products	21
“Other,” incl. sweets, fats, & oils	69

State of Minnesota: markets for food eaten at home (2006):

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 1,399
Fruits & vegetables	1,004
Cereals and bakery products	821
Dairy products	692
“Other,” incl. sweets, fats, & oils	2,261

Household expenses for energy in Western Minnesota

	<i>millions</i>
Electricity	\$ 61
Natural gas	45
Fuel oil	6
Gasoline	124

Top 25 products sold by Minnesota farmers, 2006

Source: **USDA Economic Research Service**

- All 80,000 farmers together sold \$10 billion of crops and livestock in 2006.
- Of these sales, \$5 billion in livestock sales, and \$5 billion of crop sales.
- State farmers received \$767 million in federal subsidies.

	\$ millions
Corn	2,029
Hogs	1,751
Soybeans	1,676
Dairy products	1,074
Cattle and calves	926
Turkeys	569
Sugar beets	411
Wheat	301
Greenhouse/nursery	200
Hay	136
Potatoes	108
Chicken eggs	107
Broilers	87
Corn, sweet	65
Dry beans	49
Peas, green	40
Sunflowers	28
Sheep and lambs	13
Honey	9
Apples	9
Oats	9
Barley	7
Carrots	2

Note: Snap beans and rye are also listed among the top 25 farm products in Minnesota, but sales data have been withheld by ERS to preserve confidentiality.

Source: USDA Economic Research Service

Key data sources:

Bureau of Economic Analysis data on farm production balance

<http://www.bea.doc.gov/bea/regional/reis/>

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey

<http://www.bls.gov/cex/home.htm>

U.S. Census of Agriculture

<http://www.nass.usda.gov/census/>

USDA/Economic Research Service food consumption data:

<http://www.ers.usda.gov/data/foodconsumption/>

USDA/ Economic Research Service farm income data:

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

For more information:

To see results from *Finding Food in Farm Country* studies in other regions of the U.S.:

<http://www.crcworks.org/locales.html>

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation): <http://www.crcworks.org/ff.pdf>

To view a PowerPoint presented in March, 2008, by Ken Meter at Rep. Collin Peterson's (D-MN) Minnesota agricultural forum, called the "Home Grown Economy":

<http://www.crcworks.org/crcppts/petersonkm08.pdf>

To get a brief list of essential food facts, many of which are cited in the presentation above,

<http://www.crcworks.org/foodmarkets.pdf>

To link to further analysis of farm and food economies in the U.S.:

<http://www.crcworks.org/econ.html>

Contact Ken Meter at Crossroads Resource Center

<kmeter@crcworks.org>

(612) 869-8664