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Tools for Community Self-determination

Southwest Montana Local Farm & Food Economy

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for

Headwaters RC&D

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Covers Beaverhead, Deer Lodge, Granite, Jefferson, Madison, Powell, & Silver Bow Counties in Montana

Southwest Montana Region (Bureau of Economic Analysis, 2010)

82,013 residents receive \$2.8 billion of income annually. Personal income nearly doubled from 1969 to 2010, after dollars were adjusted for inflation, despite the fact that population decreased 5%. The largest source of personal income is transfer payments (from government programs such as pensions), totaling \$648 million. The second most important income source is capital income (from interest, rent or dividends), accounting for \$573 million of personal income [see below]. Government jobs rank third, with \$403 million. Retail jobs produce \$143 million of personal income. Considerable data on personal income has been suppressed by BEA to protect confidentiality, so many income sources cannot be fully tracked. Note that income from public sources makes up 37% of all personal income in the region.

Income earned from transfer payments includes \$255 million of retirement and disability insurance benefits; \$256 million of medical benefits; \$50 million of income maintenance benefits; \$25 million of unemployment insurance; and \$26 million of veterans' benefits.

Government income includes \$68.6 million of income earned by federal workers and \$314 million earned by state and local government workers. Military personnel earn \$20.4 million of personal income.

In recent decades, there has been limited public planning to assure a secure and stable food supply.

Issues affecting low-income residents of the Southwest Montana region:

Over 28,000 residents (34%) earn less than 185% of federal poverty guidelines. At this level of income, children qualify for free or reduced-price lunch at school. These lower-income residents spend \$57 million each year buying food, including \$8 million of SNAP benefits (formerly known as food stamps) and additional WIC coupons. The region's 2,123 farmers receive an annual combined total of \$5 million in subsidies (22-year average, 1989-2010), mostly to raise crops such as wheat,

¹ Considerable research assistance provided by Nick Wojciak.

corn, or soybeans that are sold as commodities, not to feed local residents. *Data from Federal Census of 2006-2010, Bureau of Labor Statistics, & Bureau of Economic Analysis.*

8% percent of the region's households (nearly 8,000 residents) earn less than \$10,000 per year. *Source: Federal Census of 2006-2010.*

23% of adults aged 18-64 in Montana carried no health insurance in 2010, up from 20% in 1995. Residents of the Butte and Helena metro areas fared somewhat better, with rates of 16% (in 2009) and 13% (in 2010), respectively. *Source: Centers for Disease Control.*

Food-related health conditions:

26% of Montana residents reported in 2009 that they eat five or more servings of fruit or vegetables each day. 74% do not. This level of adequate consumption is higher than the 1996 rate of 24%. Butte reports a rate of 20% in 2009. This is a key indicator of health, since proper fruit and vegetable consumption has been connected to better health outcomes. *Source: Centers for Disease Control.*

59% of Montana adults report they have at least 30 minutes of moderate physical activity five or more days per week, or vigorous physical activity for 20 or more minutes three or more days per week. This is an improvement over 51% in 2001. 54% of Butte residents report having adequate exercise. *Source: Centers for Disease Control.*

7% of Montana residents have been diagnosed with diabetes. This is about the same rate as in 2004 (6%). The diabetes rate for Butte was 8% in 2009, and for Helena was 6% in 2010. *Source: Centers for Disease Control.* Medical costs for treating diabetes and related conditions in the Southwest region are estimated at \$47 million per year. Costs for the state of Montana as a whole total \$573 million. *Source: American Diabetes Association cost calculator.*

62% of Montana residents are overweight (38%) or obese (24%), up from 50% in 1995. Rates for Butte are somewhat higher (67%, 41%, & 26% in 2009), and lower in Helena (61%, 40%, & 21% in 2010). *Source: Centers for Disease Control.*

The region's farms (Agricultural Census, 2007)

Agriculture Census data for 2007 were released February 4, 2009

The Census of Agriculture defines a "farm" as "an operation that produces, or would normally produce and sell, \$1,000 or more of agricultural products per year."

Land:

- 2,123 farms. This is 7% of Montana farms.
- The Southwest Montana region had 7% more farms in 2007 than in 2002. Some of this may be due to census takers making better contact with small farms.
- 568 (27%) of these are 1,000 acres or more in size.
- 555 (26%) farms are less than 50 acres.
- Average farm size is 1,811 acres, less than the state average of 2,079 acres.
- The region has 3.8 million acres of land in farms.

- This amounts to 6% of the state’s farmland.
- The Southwest Montana region holds 330,000 acres of harvested cropland.
- 469,000 of these acres are irrigated.
- Average value of land and buildings per farm was \$2.4 million. This was significantly more than the 2007 state average of \$1.6 million.

Sales:

With the exception of foods sold directly to consumers (see below), farmers typically sell commodities to wholesalers, brokers or manufacturers that require further processing or handling to become consumer items. The word “commodities” is used in this report to mean the crops and livestock sold by farmers through these wholesale channels. The term “products” encompasses commodity sales, direct sales, and any other sales.

- The region’s farmers sold \$201 million of crops and livestock in 2007.
- Farm product sales increased by 36% from 2002 to 2007.
- \$34 million of crops were sold.
- \$167 million of livestock and products were sold.
- 1,231 (58%) of the region’s farms sold less than \$10,000 of products in 2007.
- Total sales from these small farms were at least \$1.8 million, 1% of the region’s farm product sales. *Note that data for sales of less than \$10,000 in Granite County were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 409 (19%) of the region’s farms sold more than \$100,000 of products.
- Total sales from these larger farms were at least \$178 million, 89% of the region’s farm product sales. *Note that data for sales over \$100,000 in Anaconda-Deer Lodge, and Granite counties were suppressed by the USDA, so this total and percentage are incomplete.*
- 62% of the region’s farms (1,317 of 2,123) reported net losses in 2007. This is more than the Montana average of 49%.
- 282 (13%) of Southwest Montana region’s farmers collected a combined total of \$1.9 million of federal subsidies in 2007.

Top farm products of Southwest Montana (2007).

*Note: ** denotes sales data have been suppressed, including \$30 million of livestock sales and \$18 million of crop sales.*

Product	\$ millions
Cattle and calves**	136
Forage crops (hay, etc.)**	16
Wheat**	8
Sheep and goats	2
Barley**	1

Production Expenses:

- Production expenses totaled \$176 million in 2007.
- Depreciation expenses were the largest single expense for Southwest Montana region farmers, totaling \$30 million, (17%) of production expenses.
- Hired farm labor ranked as the second most important expense, at \$24 million (14%).

- Livestock and poultry purchases totaled \$22 million (13%).
- Feed purchases cost farmers \$18 million (10%).
- Supplies, repairs, and maintenance costs totaled \$17 million (10%).
- Interest expenses were \$16 million (9%).
- Gasoline, fuels, and oil costs totaled \$14 million (8%).
- Land and building rental cost farmers \$12 million (7%).

Cattle & Dairy:

- 993 farms hold an inventory of 311,000 cattle.
- 219,000 cattle were sold by farmers in 2007 for total sales of at least \$136 million. *Note that data for sales of cattle and calves in Powell County were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 899 farms raise beef cows.
- 46 farms raise milk cows.
- 1 farm produced corn for silage.
- 943 farms produced 746,000 tons of forage crops (hay, etc.) on 302,000 acres.
- 484 farms sold at least \$16 million of forage. *Note that data for sales of forage in (Anaconda-Deer Lodge, Granite, and Butte-Silver Bow counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*

Other Livestock & Animal Products:

- 35 farms hold an inventory of at least 158 hogs and pigs. *Note that data for inventory of hogs and pigs in Anaconda-Deer Lodge, Granite, Jefferson, and Powell counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 45 farms sold at least 242 hogs and pigs in 2007. *Note that data for sales of hogs and pigs in Anaconda-Deer Lodge and Jefferson counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 136 farms hold an inventory of 22,000 sheep and lambs.
- 138 farms sold \$1.8 million worth of sheep, goats, and lambs in 2007.
- 146 farms hold an inventory of 2,707 laying hens.
- 3 farms raise broiler chickens.
- 4 farms engage in aquaculture.
- 215 farms raise horses and ponies.

Grains, Oil Seeds, & Edible Beans:

- 103 farms produced at least \$8.3 million of grains, oil seeds, and edible beans. *Note that data for sales of grains, oil seeds, and edible beans in Anaconda-Deer Lodge, Granite, Jefferson, and Powell counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 63 farms produced at least 1.2 million bushels of wheat on over 19,000 acres, worth more than \$7.6 million. *Note that data for bushels and acreage of wheat in Anaconda-Deer Lodge counties, and data for sales of wheat in Anaconda-Deer Lodge and Powell counties were suppressed by the USDA in an effort to protect confidentiality, so these totals are incomplete.*

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

- 20 farms worked at least 2,000 acres to produce vegetables. *Note that data for acreage of vegetables in Jefferson and Powell counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- This is four more farms producing vegetables than in 2002.
- 13 farms raised potatoes.

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

- 5 farms in the region have orchards.
- 4 farms produce fruits, nuts, and berries.

Nursery & Greenhouse Plants:

- 17 farms sold ornamentals in 2007. *Note that data for sales of ornamentals were suppressed in 6 of 7 counties.*
- This represents a 5 farm decrease in the number since 2002.
- 1 farm sold Christmas trees.

Direct & Organic Sales:

- 87 farms sell \$346,000 of food products directly to consumers. This is two farms more selling direct than in 2002.
- This amounts to 0.2% of farm product sales, one-half the national average of 0.4%.
- Beaverhead County leads the region in direct sales, with \$201,000.
- 9 farms in the region sold at least \$43,000 of organic products. *Note that data for organic sales in Beaverhead and Jefferson counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- For comparison, 207 farms in Montana sold \$8.8 million of organic food products.
- 7 farms market through community supported agriculture (CSA).
- 103 farms produce and sell value-added products.

Conservation Practices:

- 407 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 688 farms practice rotational or management intensive grazing.
- 57 farms generate energy or electricity on the farm.

Other Crops:

- 43 farms produced 390,000 bushels of barley on 5,640 acres, worth at least \$797,000. *Note that data for sales of barley in Beaverhead and Granite counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*

**Limited-resource farms and others in the Southwest Montana
(Census of Agriculture, 2007) ** denotes that data have been suppressed**

Small family farms:	Farms	Percent	Acres	Percent
Limited-resource	334	16%	**83,483	2%
Retirement	382	18%	233,589	6%
Residential/lifestyle	696	33%	**229,979	6%
Farming occupation/lower sales	267	13%	204,886	5%
Farming occupation/higher sales	146	7%	611,763	16%
Large family farms	90	4%	516,807	13%
Very large family farms	67	3%	**784,552	20%
Nonfamily farms	141	7%	**1,098,267	29%
Total	2,123		3,763,326	

Definition of terms (Agricultural Census 2007):

Limited-resource farms have market value of agricultural products sold gross sales of less than \$100,000, and total principal operator household income of less than \$20,000.

Retirement farms have market value of agricultural products sold of less than \$250,000, and a principal operator who reports being retired.

Residential/lifestyle farms have market value of agricultural products sold of less than \$250,000, and a principal operator who reports his/her primary occupation as other than farming.

Farming occupation/lower-sales farms have market value of agricultural products sold of less than \$100,000, and a principal operator who reports farming as his/her primary occupation.

Farming occupation/higher-sales farms have market value of agricultural products sold of between \$100,000 and \$249,999, and a principal operator who reports farming as his/her primary occupation.

Large family farms have market value of agricultural products sold between \$250,000 and \$499,999.

Very large family farms have market value of agricultural products sold of \$500,000 or more.

Nonfamily farms are farms organized as nonfamily corporations, as well as farms operated by hired manager.

County and State Highlights

Beaverhead County highlights (Agriculture Census 2007):

- 431 farms, 10 more than in 2002.
- Beaverhead County has 1.2 million acres of land in farms.
- Farmers sold \$86.1 million of products in 2007.
- \$14.2 million (17%) of these sales were crops.
- \$71.9 million (83%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more, with 147 farms (34%) in this category.
- The next most prevalent is 10 to 49 acres, with 88 (20%) farms.
- 127 farms (29%) are less than 50 acres.
- 215 farms (50%) sold less than \$10,000 in farm products.
- 121 farms (28%) sold more than \$100,000 in farm products.
- Beaverhead County ranks 1st in Montana for inventory of cattle and calves, with 138,000.
- The county ranks 2nd in the state for sales of livestock and poultry products.
- Beaverhead County ranks 2nd in the state for sales of cattle and calves, with \$70 million.
- The county ranks second in the state for acreage of forage crops (hay, etc.) with 111,000.
- Beaverhead County ranks 3rd in Montana for sales of vegetables, *but sales figures have been suppressed by the USDA in an effort to protect confidentiality.*
- The county ranks 3rd in the state for acreage of vegetables, with 1,215.
- Beaverhead County ranks 3rd in the state for acreage of potatoes, with 1,213.
- The county ranks third in the state for inventory of bison, *but inventory figures were suppressed by the USDA in an effort to protect confidentiality.*
- Beaverhead County ranks 4th in Montana for inventory of sheep and lambs, with 14,000.
- The county ranks 5th in the state for sales of sheep and goats, with \$1 million.
- Beaverhead County ranks 6th in the state for sales of forage crops (hay, etc.) with \$7 million.
- The county ranks tenth in the state for sales of agricultural products.
- 21 farms sold \$201,000 of food directly to consumers. This is a seven-farm increase in the number of farms selling direct (14 in 2002), and a 618% increase in direct sales over 2002 sales of \$28,000.
- Direct sales were 0.2% of farm product sales, one half the national average of 0.4%.

Deer Lodge County highlights (Agriculture Census 2007):

- 123 farms, 13% more than in 2002.
- Anaconda-Deer Lodge County has 79,000 acres of land in farms.
- Farmers sold \$4 million of products in 2007.
- \$497,000 (12%) of these sales were crops.
- \$3.5 million (88%) of these sales were livestock.
- The most prevalent farm size is 10 to 49 acres, with 34 farms (28%) in this category.
- The next most prevalent sizes are both 50 to 179 acres and 1,000 acres or more, with 23 (19%) farms each.
- 23 farms (19%) are 1,000 acres or more.
- 44 farms (36%) are less than 50 acres.
- 85 farms (69%) sold less than \$10,000 in farm products.
- 17 farms (14%) sold more than \$100,000 in farm products.
- No farms sold food directly to consumers in Anaconda-Deer Lodge County in 2002 or 2007.

Granite County highlights (Agriculture Census 2007):

- 166 farms, 19% more than in 2002.
- Granite County has 303,000 acres of land in farms.
- Farmers sold \$13 million of products in 2007.
- \$960,000 (7%) of these sales were crops.
- \$12.1 million (93%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more, with 68 farms (41%) in this category.
- The next most prevalent is 500 to 999 acres, with 24 (14%) farms.
- 29 farms (17%) are less than 50 acres.
- 77 farms (46%) sold less than \$10,000 in farm products.
- 43 farms (26%) sold more than \$100,000 in farm products.
- Granite County ranks 3rd in Montana for inventory of bee colonies, but *inventory figures were suppressed by the USDA in an effort to protect confidentiality.*
- The county ranks 9th in the state for inventory of horses, but *inventory figures were suppressed by the USDA in an effort to protect confidentiality.*
- 3 farms sold \$3,000 of food directly to consumers. This is a four-farm decrease in the number of farms selling direct (7 in 2002), and a \$4,000 decrease in direct sales since 2002 sales of \$7,000.
- Direct sales were nearly 0% of farm product sales, far less than the national average of 0.4%.

Jefferson County highlights (Agriculture Census 2007):

- 370 farms, 2 less farms than in 2002.
- Jefferson County has 391,000 acres of land in farms.
- Farmers sold \$13.7 million of products in 2007.
- \$1.8 million (13%) of these sales were crops.
- \$11.9 million (87%) of these sales were livestock.
- The most prevalent farm size is 50 to 179 acres, with 103 farms (28%) in this category.
- The next most prevalent is 10 to 49 acres, with 86 (23%) farms.
- 57 farms (15%) are 1,000 acres or more.
- 103 farms (28%) are less than 50 acres.
- 257 farms (69%) sold less than \$10,000 in farm products.
- 35 farms (9%) sold more than \$100,000 in farm products.
- Jefferson County ranks 8th in Montana for sales of Christmas trees, but *sales figures were suppressed by the USDA in an effort to protect confidentiality.*
- 26 farms sold \$45,000 of food directly to consumers. This is a two-farm increase in the number of farms selling direct (24 in 2002), and a \$1,000 increase in direct sales over 2002 sales of \$44,000.
- Direct sales were 0.3% of farm product sales, less than the national average of 0.4%.

Madison County highlights (Agriculture Census 2007):

- 585 farms, 14% more than in 2002.
- Madison County has 1 million acres of land in farms.
- Farmers sold \$53 million of products in 2007.
- \$13.5 million (25%) of these sales were crops.
- \$39.7 million (75%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more, with 161 farms (28%) in this category.
- The next most prevalent is 10 to 49 acres, with 129 (22%) farms.
- 152 farms (26%) are less than 50 acres.
- 324 farms (55%) sold less than \$10,000 in farm products.
- 122 farms (21%) sold more than \$100,000 in farm products.
- Madison County ranks 1st in Montana and 3rd in the United States for inventory of bison, but *inventory figures were not released by the USDA in an effort to protect confidentiality.*
- The county ranks 4th in the state for sales of vegetables, but *sales figures were not released by the USDA in an effort to protect confidentiality.*
- Madison County ranks 4th in the state for acreage of barley, with 811.
- The county ranks fourth in the state for acreage of potatoes, but *acreage figures were not released by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- Madison County ranks 5th in Montana for inventory of bee colonies, with 6,000.
- The county ranks 8th in the state for sales of forage crops (hay, etc.) with, \$5.7 million.
- Madison County ranks 10th in the state for sales of cattle and calves, with \$36 million.
- The county ranks tenth in the state for inventory of horses, with 3,192.
- 19 farms sold \$41,000 of food directly to consumers. This is a one-farm decrease in the number of farms selling direct (20 in 2002), and a 66% decrease in direct sales since 2002 sales of \$119,000.
- Direct sales were 0.1% of farm product sales, one quarter the national average of 0.4%.

Powell County highlights (Agriculture Census 2007):

- 273 farms, with no change in number of farms since 2002.
- Powell County has 670,000 acres of land in farms.
- Farmers sold \$25.7 million of products in 2007.
- \$2.6 million (10%) of these sales were crops.
- \$23.1 million (90%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more, with 87 farms (32%) in this category.
- The next most prevalent is 50 to 179 acres, with 61 (22%) farms.
- 55 farms (20%) are less than 50 acres.
- 151 farms (55%) sold less than \$10,000 in farm products.
- 55 farms (20%) sold more than \$100,000 in farm products.
- Powell County ranks 7th in Montana for sales of milk, but *sales figures were not released by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 11 farms sold \$44,000 of food directly to consumers. This is an eight-farm decrease in the number of farms selling direct (19 in 2002), and a 20% decrease in direct sales since 2002 sales of \$55,000.
- Direct sales were 0.2% of farm product sales, one half the national average of 0.4%.

Silver Bow County highlights (Agriculture Census 2007):

- 175 farms, 13% more than in 2002.
- Butte-Silver Bow County has 101,000 acres of land in farms.
- Farmers sold \$4.8 million of products in 2007.
- \$383,000 (8%) of these sales were crops.
- \$4.4 million (92%) of these sales were livestock.
- The most prevalent farm size is 50 to 179 acres, with 54 farms (31%) in this category.
- The next most prevalent is 180 to 499 acres, with 34 (19%) farms.
- 25 farms (14%) are 1,000 acres or more.
- 45 farms (26%) are less than 50 acres.
- 122 farms (70%) sold less than \$10,000 in farm products.
- 16 farms (9%) sold more than \$100,000 in farm products.
- 7 farms sold \$12,000 of food directly to consumers. This is a six-farm increase in the number of farms selling direct (1 in 2002).
- Direct sales were 0.3% of farm product sales, less than the national average of 0.4%.

State of Montana highlights (Agriculture Census 2007):

- 29,524 farms, 6% more than in 2002.
- Montana has 61 million acres of land in farms.
- Farmers sold \$2.8 billion of products in 2007.
- \$1.3 million (46%) of these sales were crops.
- \$1.5 million (54%) of these sales were livestock or related products.
- The most prevalent farm size is 1,000 acres or more with 9,791 farms (33%) in this category.
- The next most prevalent is 10 to 49 acres with 5,462 (19%) farms.
- 7,379 farms (25%) are less than 50 acres.
- 15,695 farms (53%) sold less than \$10,000 in farm products.
- 6,380 farms (22%) sold more than \$100,000 in farm products.
- Montana ranks 2nd in the U.S. for acreage of barley, with 719,000.
- The state ranks 2nd in the country for acreage of dry edible peas, with 222,000.
- Montana ranks second in the U.S. for acreage of lentils, with 88,000.
- Montana ranks 3rd in the U.S. for acreage of wheat, with 5.1 million.
- The state ranks 5th in the country for acreage of forage, with 2.8 million.
- The state ranks seventh in the U.S. for inventory of sheep and lambs, with 272,000.
- Statewide sales in vegetables totaled \$39 million.
- 1,287 farms sold \$6.3 million of food directly to consumers. This is an 11% increase in the number of farms selling direct (1,164 in 2002), and a 40% increase in direct sales over 2002 sales of \$4.5 million.
- Direct sales were 0.2% of farm product sales, one half the national average of 0.4%.
- If direct food sales made up a single commodity, the value of these sales would outrank the state's 17th-most important product, safflower.
- 229 farms farm organically, with a total of 58,868 acres of harvested cropland, and 75,807 acres of pastureland.
- 37,260 acres on 106 farms are undergoing organic conversion.
- 207 farms in Montana sold \$8.8 million of organic food products, including \$6.9 million of crops (this may include ornamental and greenhouse crops), \$847,000 of livestock and poultry, and \$1.1 million of products from livestock and poultry (such as milk or eggs).
- 148 farms market through community supported agriculture (CSA).
- 1,224 farms produce value-added products.
- 7,115 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 7,707 farms practice rotational management of intensive grazing.
- 514 farms generate energy or electricity on the farms.

Montana's top farm products in 2010 (Economic Research Service)

The data in the table and pie chart below are for Montana as a whole. See chart on next page.

	\$ millions
1 Cattle and calves	1,085
2 Wheat	1,033
3 Hay	268
4 Barley	157
5 Lentils	78
6 Sugar beets	67
7 Dairy products	48
8 Hogs	47
9 Dry peas	35
10 Potatoes	34
11 Greenhouse/nursery	30
12 Sheep and lambs	25
13 Honey	18
14 Corn	15
15 Dry beans	8
16 Chicken eggs	7
17 Safflower	5
18 Cherries	4
19 Wool	3
20 Oats	2
21 Flaxseed	2

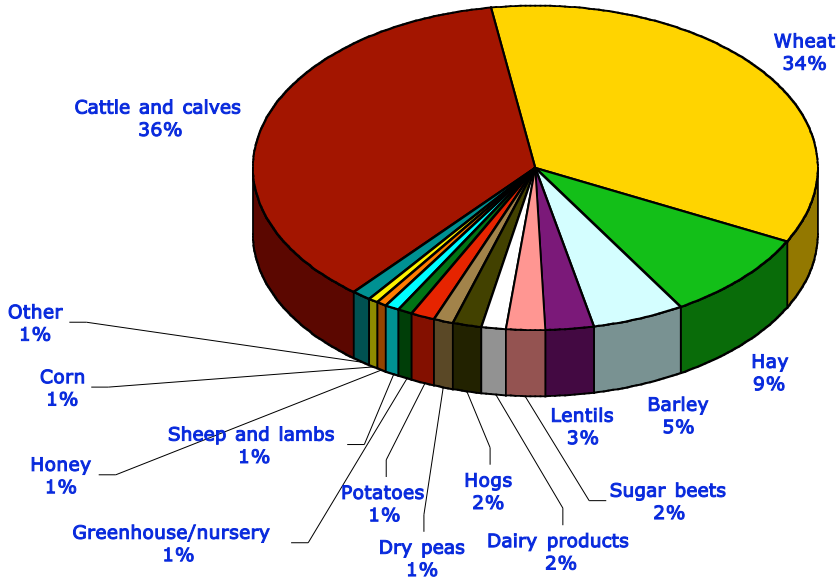
Note: aquaculture, turkeys, and mushrooms were also listed among Montana's top 24 products, but sales figures for these products were not released by ERS, in an effort to protect confidentiality.

Note also that at \$6.3 million, direct sales from farmers to consumers amount to more than the value of the 17th-ranking product, safflower.

Montana's top farm products in 2010 (Economic Research Service)

See table on previous page

Top Farm Products in Montana, 2010



Source: USDA Economic Research Service

Balance of Cash Receipts and Production Costs (BEA):

Southwest Montana region ranchers and farmers sell \$202 million of food commodities per year (1989-2010 average), spending \$230 million to raise them, for an average loss of \$28 million each year. *Note that these sales figures compiled by the BEA may differ from cash receipts recorded by the USDA Agriculture Census (above).*

Overall, farm producers lost \$608 million by selling crops and livestock over the years 1989 to 2010. Farm production costs exceeded cash receipts for 19 years of that 22-year period. Moreover, 62% of the region's farms reported that they lost money in 2007 (Ag Census). Southwest Montana region farmers and ranchers earned \$82 million less by selling commodities in 2010 than they earned in 1969 (in 2010 dollars).

Farmers and ranchers earn another \$12 million per year of farm-related income — primarily custom work, and rental income (22-year average for 1989-2010). Federal farm support payments are a more important source of net income than commodity production, averaging \$5 million per year for the region for the same years.

The region's consumers:

See also information covering low-income food consumption and food-related health conditions, page 1-2 above.

Southwest Montana region consumers spend \$218 million buying food each year, including \$127 million for home use. Most of this food is produced outside the region, so Southwest Montana consumers spend about \$200 million per year buying food sourced far away. Only \$346,000 of food products (0.2% of farm cash receipts and 0.2% of the region's consumer market) is sold by farmers directly to consumers.

Estimated change in net assets (that is, assets minus liabilities) for all region households combined was a loss of \$428 million in 2009 alone (BLS). This places additional pressure on Southwest Montana consumers trying to buy food.

Farm and food economy summary:

Farmers lose \$28 million each year producing food commodities, and spend \$90 million buying inputs sourced outside of the region. Even when individual farmers make money, these input purchases result in substantial losses to the region as a whole. Overall, farm production creates a loss of \$118 million to the region.

Meanwhile, consumers spend \$200 million buying food from outside. Thus, total loss to the region is \$318 million of potential wealth *each year*. This loss amounts to more than the value of all food commodities raised in the region.

Southwest Montana region: markets for food eaten at home (2009):

Southwest Montana region residents purchase \$218 million of food each year, including \$127 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 27.6
Fruits & vegetables	23.3
Cereals and bakery products	16.3
Dairy products	13.6
“Other,” incl. Sweets, fats, & oils	46.1

If Southwest Montana region residents purchased \$5.00 of food each week directly from farmers in the region, this would generate \$21 million of new farm income for the region.

Beaverhead County: markets for food eaten at home (2009):

Beaverhead County residents purchase \$25 million of food each year, including \$14 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 3.1
Fruits & vegetables	2.6
Cereals and bakery products	1.8
Dairy products	1.5
“Other,” incl. Sweets, fats, & oils	5.2

Deer Lodge County: markets for food eaten at home (2009):

Deer Lodge County residents purchase \$25 million of food each year, including \$14 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 3.1
Fruits & vegetables	2.6
Cereals and bakery products	1.8
Dairy products	1.5
“Other,” incl. Sweets, fats, & oils	5.2

Note: The populations of Beaverhead County and Deer Lodge County are nearly the same, which accounts for the similarity in the consumption totals above.

Granite County: markets for food eaten at home (2009):

Granite County residents purchase \$8.2 million of food each year, including \$4.8 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 1.0
Fruits & vegetables	0.9
Cereals and bakery products	0.6
Dairy products	0.5
“Other,” incl. Sweets, fats, & oils	1.7

Jefferson County: markets for food eaten at home (2009):

Jefferson County residents purchase \$30 million of food each year, including \$18 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 3.8
Fruits & vegetables	3.3
Cereals and bakery products	2.3
Dairy products	1.9
“Other,” incl. Sweets, fats, & oils	6.4

Madison County: markets for food eaten at home (2009):

Madison County residents purchase \$20 million of food each year, including \$12 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 2.6
Fruits & vegetables	2.2
Cereals and bakery products	1.5
Dairy products	1.3
“Other,” incl. Sweets, fats, & oils	4.3

Powell County: markets for food eaten at home (2009):

Powell County residents purchase \$19 million of food each year, including \$11 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 2.4
Fruits & vegetables	2.0
Cereals and bakery products	1.4
Dairy products	1.2
“Other,” incl. Sweets, fats, & oils	4.0

Silver Bow County: markets for food eaten at home (2009):

Silver Bow County residents purchase \$91 million of food each year, including \$53 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 11.5
Fruits & vegetables	9.7
Cereals and bakery products	6.8
Dairy products	5.7
“Other,” incl. Sweets, fats, & oils	19.2

Montana: markets for food eaten at home (2009):

Montana residents purchase \$2.6 billion of food each year, including \$1.5 billion to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 333
Fruits & vegetables	282
Cereals and bakery products	197
Dairy products	165
“Other,” incl. Sweets, fats, & oils	557

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/?submit=fffc>

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>

For further information: <http://www.crcworks.org/>

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